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Automotive News

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Ex-salesman Gary Carr, right, shares his pitch with correspondent John Stossel. The Nov. 17 segment on ABC's "20/20" program purported to expose "secrets of the car salesman."

Chicago dealers pull ads after 20/20 show

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Incensed Honda, Acura and Chrysler Motors dealers in the Chicago area will withdraw advertising from WLS-TV, an ABC affiliate, because of a recent ABC network *20/20* news show segment called "Secrets of the Car Salesman."

It cast auto salesmen, and by extension auto dealers, as cheesy hucksters who will use any trick in the book to clinch a sale and make chumps of unwary customers.

The Nov. 17 segment was based on author Gary Carr's self-help book, "How to Outsmart the New Car Salesman."

Carr's premise is that all car buyers have been cheated at one time or another.

But some auto dealers are crying foul, saying the program was lopsided — heavy on the sleazy practices of a small number of dealers, and nothing at all on the philanthropy of most reputable dealers.

"I want equal time for those people who are a credit to this huge industry and act responsibly and diligently," said Robert Foley, owner of a Buick dealership in Wilmette, Ill.

"We are the first stop for people needing sponsors for Little League baseball, hockey teams, parades, ads for charitable functions, school fund raising and donations for just about everything else," he said.

In the show's aftermath, some Chicago-area dealers are protesting by folding up their wallets.

Gary McGrath, who has Honda and Acura dealerships in Elgin and Glenview, respectively, said Chicago-area Honda dealers spent about $750,000 with WLS last year. Acura dealers spent $200,000.

"The advertising boards met and are in favor of not spending with the station for 30-60 days," he said.

The boards represent 24 Chicago-area Honda dealers and eight Acura dealers.

see ABC, page 54

2-STROKE: *Automakers in U.S., Japan and Europe strive for big gains from small engine*

By Jack Koebler
AUTOMOTIVE NEWS STAFF REPORTER

The two-stroke engine, once little more than a powerplant for lawn mowers and dirt bikes, is the subject of some of the most intense engine development since rotary engine fever hit the industry in the early 1970s.

Automakers on three continents have programs to put two-stroke engines in a variety of cars and trucks during the 1990s.

There is strong disagreement about whether the engine should be mechanically complex or simple, and whether it is best suited for small cars, large cars and trucks — or nothing at all.

Seven makers admit they have two-stroke programs, and others are believed to be secretly developing the engine.

But there is no guarantee that all — or even any — will put two-strokes into production cars and trucks. Two decades ago, several makers studied the Wankel rotary engine which, like two-strokes, had weight, packaging and power advantages and emissions problems. Only Mazda entered long-term volume production.

Now, powerplant engineers at General Motors, Ford Motor Co.

see 2-STROKE, page 52

Detroit unveiling for Daytona

The 1990 Dodge Daytona R/T Concept Car is a futuristic look at the current Daytona. The car, which debuts at the North American International Auto Show in Detroit, Jan. 6-14, features a 2.2-liter turbocharged engine that pumps out 174 horsepower. Over 40 production and concept cars will be introduced in Detroit. **See story on page 3.**

Makers hope sales follow Dec. pattern

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Following an abysmal 1990-model launch, automakers hope that a recent trend — higher December sales — will lift them out of the year on an up note.

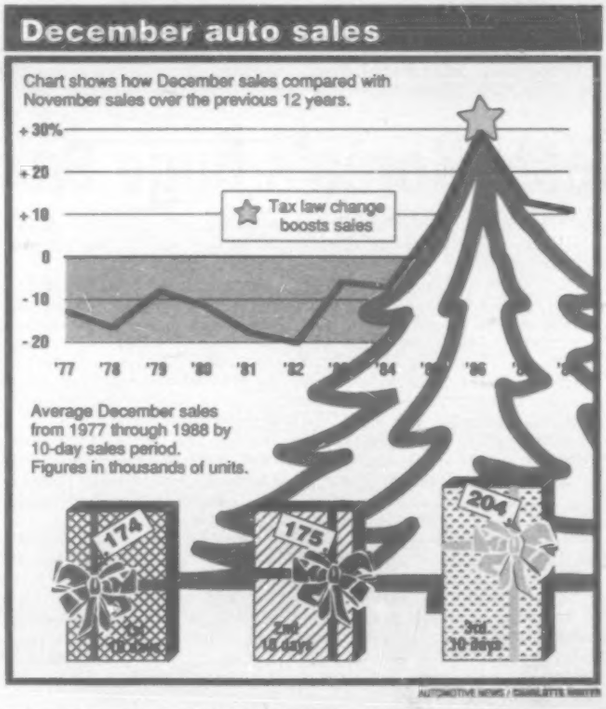
Analysts foresee a slight December upswing, but they point to greater economic indicators as reasons why new-car sales will continue to trail those of years past.

"The (improving December) numbers have been around for a while, and I think that has shown a pattern," said Ann Knight, auto analyst for Paine Webber, New York.

Knight said she does not anticipate a sales pickup in 1990, primarily because of the weakness in the U.S. economy, particularly soft employment rates.

Ford Motor Co. analyst Joel Pit-

see SALES, page 52



Fiat, Soviets join forces in $1 billion auto venture

By Luca Ciferri
STAFF CORRESPONDENT

TURIN, Italy — The Soviet Union has selected Fiat Auto to help Russia increase annual car production from 1.3 million to 2.3 million during the next five years.

The key to the $1.35 billion Fiat-Soviet cooperation is production of a new 1-liter minicar car in Yelabuga, some 700 miles southeast of Moscow. Production is slated to start in late 1993 or early 1994 and reach 300,000 units a year by 1995.

The development is part of a broad opening of the economy and society in the Soviet Union, dating back to the goal set at the 1986 Communist Congress of doubling the country's industrial potential and per-capita income by 2000.

Cesare Romiti, Fiat Auto managing director, and Nikolai Pugin, head of the Ministry of Automobile and Machinery Industries, signed a preliminary agreement in Rome last Tuesday, on the eve of an official visit to Italy by Soviet President Mikhail Gorbachev. The agreement is expected to become official in six months.

With obvious pride, Romiti emphasized that this is the first financial joint venture between the Soviet Union and a Western country.

Fiat was chosen, said Pugin, because of its excellent business relations with the Soviet Union, which started in 1913. The culmination was the $235 million turnkey contract with VAZ, which began producing Fiat-derived Ladas at Togliatti in 1970.

Romiti also confirmed that Fiat's new minicar, code-named X 1/72, will be produced in Poland.

The developments follow a steady and successful drive by the Fiat Group into the Eastern Bloc.

see FIAT, page 52

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Everything and everyone automotive:
Leaders from government, suppliers and NADA will join Ford's Red Poling on the podium during the Automotive News World Congress in Detroit, Jan. 7-10. Full roster, page 3. Coupon, page 53.

Volvo 780 concept car, debuting in Detroit, features the Generation 3 turbo.

Detroit, L.A. kick off vital round of shows

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Sparked by anxiety over sagging new-car sales and relentless competition, automakers are placing increased importance on auto shows.

The Big 3 will showcase no fewer than 18 all-new production vehicles and 18 concept vehicles at auto shows this year, with the biggest introduction coming from Chevrolet, which will display five 1991 models at both the Detroit and Los Angeles shows in January.

The emphasis on shows is displayed not only in more new-vehicle introductions, but also in higher show budgets, flashier exhibit areas, more knowledgeable manufacturer and sales representatives, and an increase in interactive consumer displays.

Those new marketing and merchandising plans will be tested at the upcoming North American International Auto Show in Detroit and the Greater Los Angeles Auto Show, both of which kick off the 1990 show season on Jan. 6.

"I think there's a greater sense from manufacturers and dealers everywhere that they are going to use every outlet they can to reach consumers," said Andy Fuzesi, manager of the Los Angeles show.

New-car sales were down 10.16 percent in October 1989 from the year earlier — to 747,737 from 832,301. For the first 10 months of 1989, sales were down 4.37 percent from the year-ago period — 8,534,256 vs 8,923,896.

For Detroit's auto show organizers, the Detroit Auto Dealers Association, the goal is to be counted among the elite of the international auto show circuit — to be compared with Geneva, Frankfurt and Tokyo as a show where the industry's influence group assembles.

The show will move closer to reaching that status by introduction of some 42 new production and concept vehicles at the 1990 event.

Last January, 637,000 people attended the Detroit show, while some 1.9 million visited Tokyo's show in October.

Los Angeles' retailing importance is unequivocal: Set in the largest car-buying market in the United States, where exotics and econoboxes vie for space, the auto show has nearly become a pilgrimage for Southern California residents. At the 1989 show, some 535,000 people went through the L.A. turnstiles.

Show attendees do buy cars. According to David T. Fischer, co-chairman of the Detroit event, a Detroit showgoer survey found that 71 percent of Detroit show attendees in 1987 bought a new car within 12 months.

Said Peter Levin, director of advertising for Cadillac: "Auto shows are opportunities to go beyond the

see SHOW, page 51

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Ford demands machine tools match Japan's

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. says the performance of its in-plant machine tools is well below those used in Japan's auto plants and, beginning in 1990, Ford will ask its machine tool suppliers to meet Japanese efficiency levels.

John Casey, Ford director of plant engineering, said Ford's goal is to raise the "effectiveness" of Ford's in-plant machinery from 60 percent to between 80 and 85 percent, a level now achieved by automakers in Japan. A machine's effectiveness is measured by multiplying percentages assigned to uptime, quality output, speed and other factors.

Suppliers that continually show an inability to fix Ford business. And some machine suppliers note the expense and time the program may require. Suppliers that will be

see MACHINES, page 51

Toyota begins U.S. engine output

Kentucky plant takes major step toward raising domestic content

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

GEORGETOWN, Ky. — Shortly after lunchtime at Toyota's new engine plant, engines are moving down the assembly line at something less than a trickle. On this first day of official production, managers expected to have 23 engines completed by now. The actual flash-board tally drowsily changes from 13 to 14.

Opening-day jitters aside, the slow pace of engine production belies the high expectations for the plant. With U.S.-Japanese trade tensions swelling, Japanese carmakers are pushing for higher and higher U.S. content. They realize that U.S. engine assembly is their best shot at boosting domestic content in their American-made vehicles.

But now that industry sales are in a tailspin, they are revealing some caution in taking further steps too quickly.

Toyota's own outlook appears to have changed in recent weeks as gloomy industry sales forecasts appear. In October, the company predicted its U.S. sales would increase from 930,000 vehicles in 1989 to 950,000 in 1990. The company may now be preparing for a rough ride.

Kaneyoshi Kusunoki, chairman of both Toyota Motor Manufacturing U.S.A. and Toyota Motor Sales U.S.A., indicated that the company is siding with forecasters who believe a sales downturn is ahead. This year, Toyota's U.S. car sales were up 6.7 percent through October, but Kusunoki acknowledged that they could fall.

"The people who consult with us on sales and who do our forecasts say so, and I believe them," he said.

Kusunoki did not speculate on sales numbers, but he indicated that future Toyota investments will be determined by the general sales climate.

Because of increased demand, "we are thinking of what expansions will be necessary," he said. "But as you know, people in the industry are forecasting that the next couple of years will be bad for sales. I think that to make a great deal of investment now would mean problems for Toyota."

Kusunoki said the company hasn't decided how much more it will invest in the new $300 million Georgetown engine plant. Toyota announced in late October that it will gear up to produce 300,000 engines annually at the plant, rather than the 200,000 planned previously, and that it will increase capacity at its Camry plant next door to 240,000 cars from 200,000.

The details on how much that vehicle expansion will cost is undetermined, he said.

The transplants have generally been reaching their

see TOYOTA, page 51

Jordan

Tonkin

Poling

Sarni

Curry

Bidwell

Jordan, Tonkin lead World Congress gala

DETROIT — Charles Jordan, vice president of design at General Motors, and Ron Tonkin, president of the National Automobile Dealers Association, will address the Automotive News World Congress Tuesday Evening Gala Jan. 9 in Detroit.

Tickets to the gala dinner are included with full registration to the World Congress or may be obtained separately.

The World Congress will run from Sunday, Jan. 7 through Wednesday morning, Jan. 10 at the Westin Hotel in Detroit. Attendees will hear from 30 top experts and executives from the auto industry.

"The roster for this year's congress is stronger than ever," said Keith Crain, publisher of *Automotive News*.

Register for World Congress, Page 53

Jordan joined GM in 1949, was named chief designer of Cadillac in 1957, and five years later was appointed executive in charge of automotive exterior design for all GM cars and trucks.

In 1962, *Life* magazine selected him as one of the 100 "most important young men and women in the United States."

After three years as design director at Adam Opel AG in West Germany, Jordan returned to the United States in 1970 to head all automotive exterior design for Chevrolet and Pontiac. In 1977, he was promoted to corporate director of design, and in 1986 he was appointed to his current position.

Tonkin is a megadealer in Portland, Ore. During his tenure as NADA president, the outspoken Tonkin has been one of the most visible NADA presidents in history. He has blasted manufacturers about fleet subsidies, rebates and mandatory advertising associations, saying these measures are making dealers an "endangered species."

He created the Rough Riders, a group of 1,500 dealers dedicated to pushing the association's agenda.

The four-day World Congress begins the evening of Jan. 7, with addresses by Harold "Red" Poling, vice chairman of Ford Motor Co., and Vincent A. Sarni, president and chief executive officer of PPG Industries.

Poling, who will succeed retiring

see CONGRESS, page 51

1990 WORLD CONGRESS SPEAKERS

SUNDAY, JAN. 7
EVENING
Harold "Red" Poling, vice chairman, Ford Motor Co.
Vincent A. Sarni, board chairman and CEO, PPG Industries

MONDAY, JAN. 8
MORNING
William Bruce, general manager, Infiniti
Owen Bieber, president, UAW
James O'Neal, president, Arnold Palmer Automotive Group
Brian Bowler, president and CEO, Porsche Cars North America

MONDAY AFTERNOON
Nelson Gonzales, Buick City plant manager
Susan Shackson, director, public policy development office, Ford Motor Co. governmental relations staff
Laurel Cutler, vice president, consumer affairs, Chrysler Motors
Takeshi Tanuma, president and CEO, Nissan Research & Development
John Hammond, managing partner, J.D. Power and Associates
Elmer Kastelic, service manager, Motorcars Honda, Cleveland Heights, Ohio *and* **Jim Seiler,** service manager, Bloomington Acura, Bloomington, Minn.

MONDAY EVENING
Jerry Curry, administrator, NHTSA
Bennett Bidwell, chairman, Chrysler Motors

TUESDAY, JAN. 9
MORNING
Jerry Benefield, president, Nissan Motor Manufacturing Corp. U.S.A.
J. Michael Losh, general manager, Oldsmobile

TUESDAY AFTERNOON
Shigenori Fukuda, general manager, Design Division, Mazda Motor Corp. *and* **Mark Jordan,** assistant chief designer, Mazda Research & Development
Leonard Sherman, vice president, Booz-Allen & Hamilton
Dr. Roberta J. Nichols, director, alternative fuels research, Ford Motor Co.
Jack Reilly, senior vice president and general manager, American Isuzu Motors
Janet Thompson, vice president, advertising, Mazda Motor of America
Charles Miller, executive vice president, TRW Occupant Restraint Systems

TUESDAY EVENING GALA
Ron Tonkin, president, National Automobile Dealers Association
Charles Jordan, vice president, GM design staff

WEDNESDAY, JAN. 10
MORNING
Donald Hudler, vice president, sales, service and marketing, Saturn Corp.
Roy Roberts, vice president and general manager, truck operations, Navistar International Transportation Corp.
John Damoose, vice president of brand marketing, Chrysler Motors
Maryann Keller, vice president, Furman Selz Mager Dietz & Birney

45 MPG

80% in poll favor big hike in CAFE

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Nearly 80 percent of voters surveyed in a poll released last week favor an increase in corporate average fuel economy standards to 45 mpg by 2000.

Twelve hundred registered voters participated in the telephone poll, released by the Union of Concerned Scientists and the Communications Consortium. It gauged opinions on global warming and energy priorities.

The poll was conducted in late October and early November by Research/Strategy/Management, headed by Vince Breglio, chief pollster for President Bush and Vice President Dan Quayle in last year's campaign.

The voters were told that the current CAFE standard is 27.5 mpg and were asked, "Would you favor or oppose an increase in federal fuel economy standards for auto companies requiring that cars, on average, get 45 miles to a gallon by the year 2000?"

The poll found that 51 percent of respondents said they "strongly favor" a 45-mpg CAFE, and 27 percent said they "somewhat favor" it. Nine percent "somewhat opposed" the 45-mpg CAFE, and 8 percent "strongly opposed" it. Five percent offered no opinion.

Asked if they would pay $500 more for a 45-mpg car, knowing that the added money would be recovered in four years through fuel savings, 83 percent of respondents said they would, and 13 percent said they wouldn't.

Eighty-three percent of those surveyed said they either "strongly agreed" or "somewhat agreed" that automakers have the technology to make cars averaging 45 mpg well before 2000.

A number of subcompact cars on the market now are rated above 45 mpg by EPA.

The survey also addressed preferences in automobiles. Durability was ranked No. 1 on a list of "extremely important" virtues to consider when buying a new car. It was followed by "a safety demonstration" (which Breglio explained as customer perception of a car's safety), fuel economy, power and performance and size and comfort.

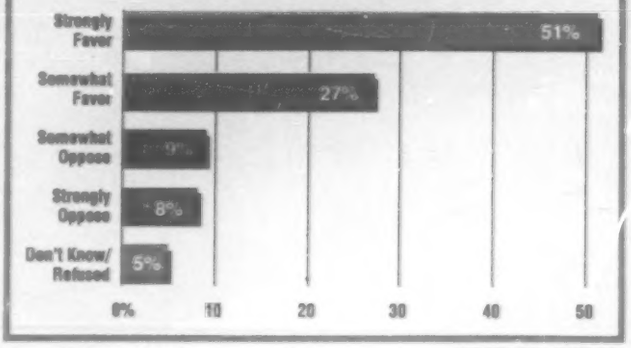
Below that were, "avoiding a special tax placed on less fuel efficient cars" and "a cash rebate or federal tax credit for the purchase of a fuel efficient car."

Breglio noted that 24 percent of those polled drive compact or subcompact cars.But there was little difference in answers concerning CAFE among large- and small-car drivers, he said.

Increase auto fuel economy?

What follows is just one of the questions asked of registered voters in a poll on fuel economy:

Currently, federal fuel economy standards require that auto companies produce cars that, on average, get 27.5 miles per gallon. Would you favor or oppose an increase in federal fuel economy standards for auto companies requiring that cars, on average, get 45 miles to a gallon by the year 2000?



AUTOMOTIVE NEWS / BEN GARLETON

Atmospheric pollution — including such issues as smog, global warming, the ozone layer and acid rain — was ranked by 52 percent of the voters as the most important environmental problem. Water quality was first with 22 percent.

Rep. Claudine Schneider, R-R.I., who has introduced an omnibus bill addressing 12 environmental issues, including CAFE, said, "It is clear, the poll results say the public is ahead of the policy makers. Polls are essential to moving Congress where (the public's) priorities lie."

The margin of error for the poll was plus or minus 3 percent.

The Union of Concerned Scientists is an independent, non-profit organization concerned with the impact of advanced technology on society. The Communications Consortium is a public relations firm that provides free services for public interest groups. It is funded by independent foundations.

Pollution gun aimed at car — EPA boss

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Congress is more likely to seek pollutant reductions from automobiles than factories because state environmental commissioners would rather not place the burden for cleaner air on local industries, EPA Administrator William K. Reilly said last week.

Reilly

In our state EPA committee meeting some weeks ago (Sept. 27 and 28), it became clear that the state environmental commissioners regard the automobile as a much more desirable place to get emissions reductions than their (local) plants and factories," Reilly said at an informal news conference. "They are clamping down heavily on the latter, but want to get much of the emissions reductions from technology improvements in cars, precisely to avoid having to go further with their own plants and thereby having an impact on employment," Reilly said.

"There is no question a lot of the information we have received — and I'm sure the Senate has received — from those agency heads has contributed to the conclusion that even if the technology (for reducing auto emissions) may not be there today, we should push forth and hope it is there tomorrow."

Reilly said there was a "relative consensus" among directors of state environmental commissions on the need "to go beyond what the administration originally proposed for reductions of hydrocarbons and NOx (nitrogen oxides) in cars."

The Senate is now considering stricter tailpipe emissions standards that would take effect in 2003. But it has yet to include an alternative-fuels plan in its legislation, as called for by President Bush and the EPA. Those standards, in particular a 0.125 gram per mile hydrocarbon limit, if feasible, would likely add very significantly to the cost of a new car, Reilly said. The EPA has previously estimated the cost at $500.

A House measure calls for the strict tailpipe standards in 2003, but only if EPA deems them to be needed and feasible. The House bill, as it is currently amended, also calls for automakers to certify that they can build 500,000 alternative fueled cars starting in 1995 and 1 million alternative-fueled cars a year starting in 1997. The president's proposed legislation would mandate that makers build those cars and offer them for sale.

EPA continues to hold out for the president's original alternative fuel mandate, Reilly said.

"You have a number of choices in the air pollution problem, and every time you decide to forgo one, you have to come down harder in another. If it is decided that alternative fuels are not going to play a large role in the next decade, and more in the next century, I would imagine there will be compensating needs for controls in vehicle miles traveled or on stricter controls in plants and factories."

GM C-body cleared in runaway probe

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA has closed two more probes into unintended acceleration, concluding that mechanical defects do not cause the problem.

A 19-month investigation of 1.5 million 1985-88 General Motors C-body cars (Buick Electra, Oldsmobile 98, Cadillac Deville and Fleetwood) found there is no evidence of a defect or the potential for malfunction that would cause an unintended increase in engine power.

NHTSA also has closed a 13-month analysis into a possible throttle-control defect on 1.5 million 1986-87 GM H-body cars (Buick LeSabre, Pontiac Bonneville, Oldsmobile Delta 88). The investigation considered all components of the computerized ignition control, exhaust emissions, cruise control, fuel delivery and injection systems and found no defect.

Russell Skew, a staff member of the Center for Auto Safety, said NHTSA "is being deceived by the auto companies." He said the center will probably ask the agency to reopen the cases.

Three unintended acceleration studies are still pending: 1988 Acura Legend and Sterling models, affecting 78,100 cars; 1986-1988 Mercedes-Benz 300E models, 53,650 cars; and 1986-1989 Mercedes-Benz gasoline-powered models, 255,249 vehicles.

In the past two decades, NHTSA has closed more than 50 unintended acceleration investigations.

George Parker, NHTSA's associate administrator for enforcement, said that the findings of an outside study of unintended acceleration in March have been heavily weighed in the cases NHTSA has closed this year. In that study, the Transportation Research Systems Center of Cambridge, Mass., cited "pedal misapplication" as the major cause of the phenomenon.

Sudden-acceleration probe exonerates 1988 DeVille.

This summer, NHTSA closed an investigation of 1979-1987 Nissan 280ZX and 300ZX models, affecting an estimated 184,000 cars. That case had been kept open until the study was complete, Parker said. The organization tested 10 different makes and models, including two C-body GM cars.

In a closing report on the GM H-body, NHTSA said the perception of drivers who complained of unintended acceleration may not have been accurate. Stepping on the accelerator or brake pedal is such a routine act that a driver may have been less than alert when the so-called sudden acceleration occurred, NHTSA said.

Reports of unintended acceleration have been greatly colored by the notoriety of the Audi 5000 case. And, the classic example of mislabelled "sudden acceleration" is the GM C-car cruise control problem that resulted in the July recall of 1.8 million cars, Parker said.

Daimler to hike equity to 80% in Mexico's FAMSA

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Daimler-Benz is expected to announce soon that it is increasing its stake in Mexican truckmaker FAMSA from 49 percent to 80 percent.

A FAMSA spokesman said the deal has been accepted by the board of the Hermes Industrial Group, currently the majority partner. He said the company is awaiting publication of the government's automotive industry decree before making an announcement.

The decree, expected this month, will set the industry's operating rules for the next six years.

In 1985, Daimler-Benz bought 49 percent of FAMSA, which stands for Fabrica de Autotransporte Mexicana, Sociedad Anonima.

It was the maximum share permitted under Mexican law. That limitation is expected to be eased.

A high-ranking automotive industry source said the government has already approved the Daimler-Benz agreement with FAMSA.

Until 1985, FAMSA had been only a truck assembler using Cummins, Perkins and International Harvester engines.

It now has a $40 million engine plant where Daimler-Benz OM366 engines are made. FAMSA is now also selling Daimler-Benz-designed cabs, made in Mexico.

News of the impending announcement followed the government's sale last month of four companies of the DINA Group to a Mexican consortium. Included in the $40 million sale was truck maker DINA Camiones, of which Chrysler Mexico owns 8 percent and Navistar owns 5 percent.

FAMSA and DINA Camiones share the entire market for 20,000-46,000-pound trucks.

BMW plans Mazda Miata-class roadster

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

MUNICH, West Germany — BMW may have an answer for the affordable roadster challenge put down by the new Mazda Miata.

BMW's three product development units — Technik GmbH, Motorsports GmbH and the main Forschungs und Ingenieurzentrum center — are developing roadster concepts, said Wolfgang Reitzle, BMW's management board member in charge of research and development.

Technik, which is reponsible for the exclusive Z-1 convertible, is rumored to have created a roadster dubbed Z-10 that would be priced only a few thousand dollars higher than Miata if produced.

"That's an interesting segment," said Reitzle, "and it would fit BMW to offer roadsters as you saw with the Z-1 and in the tradition of our 507. That type of car — not the Miata exactly — but that type is also an interesting segment. I can't say that you'll never see a BMW in the lower-priced roadster segment — lower in comparison to Z-1."

The Z-10 2+2 is said to be planned for road tests beginning early next year.

Technik's Z-10 is said to be based on the new 318is, which uses the 136 horsepower 1.8-liter, 16-valve four-cylinder engine. While the Z-1 has a composite-body, the Z-10 has a steel outer skin. BMW does not offer the 85,000 mark ($47,000) Z-1 in the United States.

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Classifying factors in auto deaths

Males under 30 have highest fatality rate, insurance study says

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A study has found that drivers of large cars are less likely to be involved in fatal crashes, but age and sex are vital factors, too.

The Insurance Institute for Highway Safety said that death rates varied significantly within vehicle size categories, according to its study of deaths per 10,000 registrations in 1985-87 cars.

The highest death rate occurred with male drivers under 30, said Brian O'Neill, president of the insurance-industry-funded group. Cars driven by females over 30 had the lowest rate.

But the three factors — age, sex, and vehicle size — cannot explain all of the differences in death rates among cars of the same size.

Nine of the 103 vehicles rated performed far better than predicted. The predictions were based on a formula that takes into account the size of the car, age and sex of the driver and other factors.

For instance, the Honda Prelude had a death rate of 1.5 per 10,000 registered cars; its predicted death rate was 3.1. Forty-seven percent of the Prelude drivers were under 30 years old and 60 percent were male.

The other eight with far better-than-predicted ratings are: Nissan Sentra two-door, Volvo 740/760 four-door, Ford Taurus wagon, Volkswagen Jetta four-door, Chevrolet Cavalier wagon, Ford Escort wagon, Toyota Celica and Toyota Cressida four-door. Some of those cars are small — subcompact or compact — and driven primarily by young males.

Seven cars performed far worse than predicted: Chevrolet Chevette four-door, Plymouth Reliant four-door, Chevrolet Celebrity two-door, Dodge Aries four-door, Chevrolet Corvette, Chrysler LeBaron four-door and Chevrolet Sprint two-door.

Only 6 percent of the drivers of the intermediate size Chrysler LeBaron were under 30, but the car's fatality rate was 41 percent higher than predicted. The Dodge Aries and Plymouth Reliant had a similarly low percentage of young drivers — 10 percent and 4 percent, respectively — but death rates were 53 percent and 63 percent higher than expected.

ACTUAL AND PREDICTED DEATH RATES

Figures are reported for 1985-87 cars during 1986-88, as deaths per 10,000 registered passengers. The predicted rate attempts to take into account the age and sex of drivers involved and the car size. When actual death rates are lower than predicted rates, the car appears to be safer than expected.

Vehicle	Actl rate	Predict rate
STATION WAGONS & VANS		
Large		
Plymouth Voyager	1.2	1.4
Chevrolet Caprice	1.4	1.7
Dodge Caravan	1.4	1.3
Ford Aerostar	1.5	1.2
Chevrolet Astro Van	2.0	2.1
Midsize		
Ford Taurus	0.7	1.5
Oldsmobile Cutlass Ciera	1.1	1.5
Chevrolet Cavalier	1.1	2.0
Chevrolet Celebrity	1.3	1.7
Plymouth Reliant	2.0	1.6
Small		
Subaru DL/GL 4wd	1.2	2.0
Ford Escort	1.2	2.2
Subaru DL/GL	1.4	1.7
FOUR-DOOR MODELS		
Large		
Mercury Grand Marquis	1.2	1.5
Buick Electra	1.3	1.4
Ford Crown Victoria	1.4	1.6
Chrysler New Yorker 5th Ave.	1.5	1.2
Oldsmobile Delta 88	1.5	1.3
Oldsmobile Ninety-Eight	1.5	1.5
Chevrolet Caprice/Impala	1.6	1.4
Buick LeSabre	1.6	1.4
Midsize		
Toyota Cressida	1.1	1.9
Buick Century	1.2	1.6
Volvo 240	1.2	1.9
Pontiac Grand Am	1.2	1.9
Oldsmobile Cutlass Ciera	1.3	1.5
Chrysler LeBaron GTS	1.3	1.7
Mercury Sable	1.3	2.0
Pontiac 6000	1.3	1.7
Ford Taurus	1.4	2.0
Oldsmobile Calais	1.4	1.9
Honda Accord	1.5	1.7
Mercury Topaz	1.6	2.0
Oldsmobile Cutlass	1.6	1.3
Chrysler New Yorker	1.6	1.6
Plymouth Caravelle	1.7	1.4
Chevrolet Celebrity	1.7	1.6
Ford Tempo	1.8	1.8
Dodge Lancer	1.9	2.0
Nissan Maxima	2.0	2.5
Chevrolet Cavalier	2.3	1.9
Dodge 600	2.3	1.8
Chrysler LeBaron	2.4	1.7
Pontiac Sunbird	2.5	1.8
Plymouth Reliant	2.6	1.6
Dodge Aries	2.9	1.9
Small		
Volkswagen Jetta	1.1	2.5
Mazda 626	1.5	2.0
Toyota Corolla	1.6	2.3
Honda Civic	1.7	2.6
Ford Escort	1.8	2.7
Chevrolet Nova	2.0	2.1
Volkswagen Golf	2.0	2.5
Subaru DL/GL sedan	2.0	1.8
Dodge Omni	2.3	2.1
Renault Alliance/Encore	2.5	1.9
Hyundai Excel	2.6	2.6
Plymouth Horizon	2.8	2.1
Chevrolet Spectrum	3.2	2.5
Chevrolet Chevette	4.1	1.9
TWO-DOOR MODELS		
Mid-size		
Pontiac Grand Prix	1.2	1.7
Oldsmobile Cutlass Ciera	1.2	1.8
Honda Accord	1.4	1.8
Oldsmobile Cutlass	1.5	1.7
Buick Somerset	1.5	2.2
Buick Skyhawk	1.9	2.2
Oldsmobile Calais	1.9	1.9
Ford Tempo	2.0	2.6
Buick Regal	2.0	1.9
Pontiac Grand Am	2.1	2.8
Ford Thunderbird	2.3	2.5
Chevrolet Celebrity	2.4	1.5
Mercury Cougar	2.4	2.2
Chevrolet Cavalier	2.7	2.6
Chevrolet Monte Carlo	2.8	2.1
Pontiac Sunbird	2.8	2.4
Small		
Nissan Sentra	1.5	4.3
Honda Prelude	1.5	3.1
Toyota Celica	1.6	2.8
Honda Civic	2.3	2.8
Toyota Corolla	2.5	3.8
Nissan 200SX	2.5	3.3
Renault Alliance/Encore	2.6	2.5
Ford Escort	3.0	2.9
Dodge Daytona	3.1	3.2
Chevrolet Chevette	3.4	2.5
Plymouth Turismo	3.6	2.6
Chevrolet Sprint	4.1	2.9
Dodge Charger/Shelby	4.5	3.3
SPORTS & SPECIALTY MODELS		
Large		
Lincoln Town Car	0.8	1.2
Cadillac Fltwd/Deville 4-dr.	1.1	1.2
Cadillac Fltwd/Deville 2-dr.	1.1	1.4
Cadillac Brougham 4-dr.	1.4	1.2
Midsize		
Volvo 740/760 4-dr.	0.6	1.4
Audi 5000 4-dr.	1.1	1.7
BMW 3-Series 2-dr.	2.6	3.4
Pontiac Firebird	3.8	3.1
Ford Mustang	4.4	3.7
Chevrolet Camaro	4.9	3.8
Small		
Pontiac Fiero	3.6	3.6
Honda Civic CRX	3.9	5.3
Nissan 300ZX	4.1	4.2
Chevrolet Corvette	5.2	3.6

SOURCE: Insurance Institute for Highway Safety

O'Neill said differences in vehicle engineering and engine power probably account for the variations in predicted and actual death rates.

"We presume the Volvo did better than predicted because of its safe construction and design," O'Neill said.

The Volvo 740/760 had the lowest death rate while the Chevrolet Corvette had the highest. "We also presume the Corvette's performance leads it to get into more high-speed crashes," O'Neill said.

Sutton's comments stir Shreveport area

By Helen Kahn
SENIOR CORRESPONDENT

A Louisiana consumers group wants a Shreveport, La., radio station taken off the air because angry car dealers prompted the station to cut short a program that gave tips on buying a car.

A petition from the Louisiana Consumers League asks the Federal Communications Commission to deny renewal of the license of KRMD-AM/FM, owned by AmCom of Lousiana Inc. The petition was backed by the Media Access Project, a public interest group that promotes open access to the airways.

Media Access has outlined the following chain of events, based on radio transcripts and affadavits:

Last May, the Barksdale Federal Credit Union of Louisiana invited Remar Sutton to hold two seminars on how to buy and finance an automobile. Sutton, a syndicated columnist, former car dealer and credit union spokesman, appeared on a KRMD talk show after promising not to mention local car dealers by name.

Although Sutton kept the promise, one of the show's hosts invited comments from dealers. About 20 minutes before the end of the show, station manager Gene Dickerson called Sutton "controversial" and ordered him off the air.

Auto dealers had called in during the show threatening to cancel their ads.

Over the next two days, the station aired an editorial criticizing Sutton and encouraging listeners to support its dealer advertisers.

Sutton also had taped an interview to be broadcast a few days later, but it was never aired. Sutton's request for time to reply to the editorial and Barksdale's similar request were never acknowledged, Media Access said. Dealers did cancel ads, as they had threatened, it added.

According to Media Access Project, AmCom breached its public trust and used its "monopoly power over the airwaves to curry favor with its advertisers" through the editorial.

The station's Washington law firm — Arent, Fox, Kintner, Plotkin and Kahn — said the consumers league has shown "no supervening public interest considerations to justify Commission intrusion into AmCom's broad editorial discretion to terminate the interview."

SERVICE MANAGEMENT

Outsider to sell Ford accessories

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

In an industry first, Ford Motor Co. has awarded a contract for retailing car and light-truck accessories to an outside firm.

The accessory sales are being handled by Budco, a Detroit marketing and distribution company. The Ford agreement is Budco's first venture into retailing.

"This is the first time an automaker has allowed an outside company to engage in this type of accessories operation," said William A. Brian, owner and president of Budco. "We will be involved in the program from warehousing to order-taking via a toll-free 800 network to shipping to the customer."

Chris P. Hilton, of Ford parts and service division's product planning section, dealer parts and accessories merchandising department, said the program is designed to enhance the division's accessories sales program.

"This program gives us the last opportunity to get to the customers before they go to other outlets in the aftermarket," Hilton said. "This is not a one-year deal. We are committed to this program, but we will be watching how well the customer receives it."

Hilton said the new program was well received by the dealers and endorsed by the Parts Managers Advisory Council.

The agreement calls for Budco to distribute a catalog, listing more than 80 types of accessories, to more than 2 million customers of participating Ford and Lincoln-Mercury dealers, according to Brian.

Budco will purchase the accessories from Ford's parts and service division and sell directly to Ford and L-M customers.

According to Brian, participating Ford and L-M dealers, as identified by the customer's vehicle identification number, will share in a 50/50 split of the gross profits generated by the accessory sales. Hilton said the dealers' share of the profits will be credited in their monthly parts and accessories statements.

Brian projected first-year accessories sales at $8 million to $10 million. The enrollment fee for dealers consists of sharing the cost of mailing the catalogs.

Brian said 4,800 of the 5,500 dealers in the Ford Motor Co. dealership network have enrolled in the program. Those dealers account for more than 90 percent of the annual Ford, Lincoln and Mercury vehicle sales, he said.

To accommodate the inventory of 80 types of accessories, Budco purchased and refurbished a 70,000-square-foot facility and created 40 jobs. Brian said an additional $200,000 was spent on computer software development for the program.

Budco will receive telephone orders via a nationwide toll-free line. In most cases, Brian said, accessories will be shipped to the buyer within 24 hours.

"Although Budco will have wide responsibility handling Ford Motor accessories, we are not supplanting the dealer who chooses to sell these items," Brian said.

"But we are making it easier for the dealer to concentrate on other sales and service aspects and still share in the profits."

Budco also handles contract application and verification, time payments and national direct marketing for Ford parts and service division's Extended Service Plan; the direct-mail program for L-M's leasing operation; the transmission warranty program designed for the second owner of a 1987 or 1988 Ford Motor vehicle; and the Ford audio systems' radio rebate program.

Budco also prints and distributes owner's manuals and performs telemarketing for Chrysler Motors.

Budco employees Cherie Parker, left, and Linda Lacey sort Ford catalogs.

Shop work up 2.5% in Oct.

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

October service and parts business in new-car dealerships bounced back from the declines registered in the two previous months to top the volume recorded in October 1988.

According to the Automotive News Service Index, October's shop business rose 2.5 percent over that in October 1988. Shop business in August and September was down 1.3 percent and 4.7 percent, respectively, from the year-earlier volume.

Service and parts volume for the first 10 months of 1989 was 1.7 percent ahead of the business recorded in the same period a year ago.

The service index is compiled from figures on parts and service business supplied by a cross-section of new-car dealerships from across the nation.

A dealer in the Midwest said his shop business was up because "we did more advertising and our labor increased over October 1988," while a retailer in the South credited more new- and used-vehicle sales for better results during October.

A dealer in New England attributed his shop's good showing in October to an "increase in labor rates and the area's economy that is forcing customers to fix their present vehicles rather than trade."

A West Coast dealer blamed the downturn in business during October on the San Francisco earthquake that closed the dealership for three days.

Gross profit on all labor, parts and accessories — the most important indicator from the dealers' viewpoint — was up 3.1 percent in October and 2.9 percent for the 10-month period.

Sales of all parts and accessories rose 3.6 percent for the month and 0.8 percent for the year.

SERVICE INDEX 102.5★

	Oct., '89 vs. Oct., '88	Jan.-Oct., '89 vs. Jan.-Oct., '88
Gross Profit on All Labor and P&A Sales	+3.1%	+2.9%
Repair Orders Written	+0.8%	−1.9%
Total Labor Sales (Customer & Warranty)	−1.0%	+2.1%
Shop Parts Sales (Customer & Warranty)	+1.8%	−1.5%
Sales of All P&A	+3.6%	+0.8%

★ Survey by Automotive News shows that dealers' service and parts business in October 1989 was 102.5 percent of business in October 1988. Service business in the first 10 months of 1989 was 101.7 percent of business in the corresponding period in 1988.

Holograms battle counterfeit GM parts

DETROIT — General Motors has begun using holograms as a weapon in the Big 3's battle against auto parts counterfeiters.

For years, GM, Ford Motor Co. and Chrysler Motors have spent millions of dollars to find and wipe out counterfeit parts makers.

"Some of these (fake) packages are so good that even we can't tell if they're counterfeit," said Dan Elliott, director of GM security.

In addition to affecting an automaker's balance sheet, a counterfeit part of inferior quality could lead to problems, such as lawsuits.

In one such instance, a Massachusetts school district sued GM after transmissions in its buses failed. The district bought what it thought was GM transmission fluid which, it contended, led to the failures.

Tests showed that the fluid was a mixture of cheap oil and red dye, and GM was dropped from the suit. The fluid maker's operations were raided by federal marshals.

GM is stamping holograms on packages of brake pads and electronic ignitions for export. Holograms, which also have been used by credit card companies to deter counterfeiters, are difficult to duplicate because they are made by laser beams.

GM is using holograms that have the superimposed words "General Motors," "GM" and "Genuine" etched into a small rectangle on the outside of the package.

Elliott declined to say how much GM has lost on counterfeit parts, but he said the Mideast has the largest amount of bogus parts. He estimated that in the Mideast, about 40 percent of all parts labeled GM are fakes.

Ford and Chrysler officials also declined to say how much their companies may have lost to parts counterfeiters, but said raids at warehouses have turned up millions of dollars worth of fake components. Many of the fake parts are made and marketed overseas.

To fight the fakes, the Big 3 employ "sting" operations in which the bogus parts are bought and then turned over to authorities.

— The Associated Press

Emergency road service for Saab

ORANGE, Conn. — Saab-Scania of America has initiated an emergency roadside service.

The program is included in the purchase of every 1990 Saab and is transferable through the 36 month/36,000 mile new-car warranty.

If the vehicle is disabled 100 miles or more from home because of a collision or mechanical breakdown of any component covered by the warranty, Saab will reimburse the owner up to $1,000 for emergency expenses incurred within three days of the date of disablement.

SERVICE BRIEFS

Precision Tune grows

STERLING, Va. — Precision Tune has acquired National 60-Minute Tune of Bellevue, Wash., a tuneup and lubrication chain with 87 franchises in Washington, Oregon, Florida and Southern California.

Donald E. Ervin, chairman of the network of 500 franchised Precision Tune centers, said the acquisition gives Precision Tune a foundation to penetrate the entire Western market. He said the company will pay particular attention to Southern California, where it expects to franchise 250 Precision Tune centers in the next two years.

Sales for National 60-Minute in 1988 were about $11 million, while Precision Tune reported sales of $145 million.

Free movie promo

CLEARWATER, Fla. — Customers opting to have service work performed at Carlisle Lincoln-Mercury after 5 p.m. Monday through Thursday receive two free movie passes and transportation to and from theaters. Scott Wilkerson, general manager, reports increased service business from the free-movie program.

Selling car-care products

DES PLAINES, Ill. — Automobile Dealer Services has developed a program that is to explain the value of vehicle appearance protection and protection products to dealership salespersons.

According to Mark Rashkow, company president, dealerships hire Automobile Dealer Services to train salespersons to sell appearance protection products such as paint and fabric protection and rustproofing.

Rashkow said his firm conducts a two-day seminar for the sales staff. After that, it follows up two to four times a month to measure the performance of individual salespersons and provide reinforcement training.

The company trains people to sell the products; it does not sell them itself, he said.

Because of the success of the product training program, Rashkow said, the company is moving into sales training. Dubbed Workforce, the new service will screen, train and then place salespersons in new-car dealerships.

Arrow grows into Canada

FRAMINGHAM, Mass. — Arrow Automotive Industries has expanded distribution of its remanufactured parts into Canada.

Initially, the company, Arrow Automotive Industries of Canada, is offering starters, alternators, generators, solenoids, starter drives, distributors and wiper motors. Other lines will be added during the next 12 months, the company said.

Inventory is being handled through selected warehouse distributors, as well as by the Consolidated Parts Warehouse centers in Burnaby and Victoria, British Columbia; and Winnipeg, Manitoba. The parts are available through the traditional Canadian aftermarket channels.

Simonds honored

NEW YORK — Winners of the Awards for Achievement in Managing Information Technology include G. Nichols Simonds, executive director of management information service for Chrysler Corp.

The awards were co-sponsored by American Management Systems, Arlington, Va., and the Graduate School of Industrial Administration of Carnegie Mellon University, Pittsburgh.

Simonds was cited for his leadership in developing Chrysler's Service Bay Diagnostic System, which uses information technology to assist dealership service technicians in diagnostics and repair.

Simonds also played a central role in creating Chrysler's Performance Feedback System, which allows assembly-line personnel to identify a defect and then correct it at in-line upgrade stations before the vehicle leaves the plant.

Sales slide continues; cars, trucks off 4% in mid-month

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Mid-November sales of U.S.-built cars and light trucks continued the slide that began in October.

The 4.41 percent decline was less severe than the 20.22 percent sales plunge in the first 10 days of November.

Transplant car sales gains helped offset Big 3 losses. Also, three of the four U.S. light-truck makers reported increases in the second 10 days of November.

In mid-November, 248,259 vehicles were delivered compared to last year's 259,725. Both periods had eight selling days.

Of the four U.S. car and truckmakers, only Nissan increased sales over 1988. Nissan sold 35.67 percent more U.S.-produced vehicles this year.

Chrysler Motors' combined car and light-truck sales slipped 3.29 percent; General Motors' combined sales dropped 7.32 percent; and Ford Motor Co. sold 13.02 percent fewer cars and light trucks in mid-November this year.

Dealers said slack showroom traffic as well as sluggish regional economic conditions were responsible for the sales lag.

Traffic is down from last year, according to Bruce Kittilstved, sales manager of Roseville Chrysler in Roseville, Minn.

"There's no doubt that it is getting more competitive. It's taking longer to close a car sale," he said.

Sales continue to be soft at Houston Taylor Nissan in Fayetteville, Ark., because customers are "waiting to see what's coming" in new incentives, said Jim Helmert, general sales manager.

"We have 15 dealerships in this town, and in the last 15 days, seven sales managers were fired," Helmert said.

The eight U.S. automakers delivered 149,381 cars in mid-November, down 6.10 percent from last year's 159,082. It was the lowest total for the period since 1981.

All transplants had healthy increases. Toyota sold nearly four times as many U.S.-built Corollas and Camrys as it did a year ago.

Mazda delivered 44.89 percent more U.S.-built MX-6s, and Honda sold 29.71 percent more American-built Accords and Civics.

Nissan's sales of U.S.-made Sentras rose 19.50 percent. Mitsubishi, which did not make cars here a year ago, sold 990 Eclipse models in mid-November.

Each of the Big 3 sold fewer cars in the Nov. 11-20 period than they did last year.

GM's car sales were off 13.05 percent, although Cadillac reported a 9.02 percent gain. It was the only GM make to show an increase.

Ford sold 11.56 percent fewer cars even though Lincoln deliveries rose 31.56 percent.

DOMESTIC SALES

	Nov. 11-20, 1989	Nov. 11-20, 1988
CARS		
Eagle	832	1,248
Chrysler	3,601	5,412
Dodge	8,593	9,927
Plymouth	7,161	6,346
Chrysler Motors	20,187	22,933
Ford	27,419	33,755
Mercury	8,675	9,234
Lincoln	5,869	4,461
Ford Motor Co.	41,963	47,450
Buick	11,177	12,276
Cadillac	6,530	5,990
Chevrolet	25,475	25,901
Oldsmobile	11,079	15,080
Pontiac	12,077	17,044
General Motors	66,338	76,291
Honda	10,714	8,260
Mazda	978	675
Mitsubishi	990	—
Nissan	2,329	1,949
Toyota	5,882	1,524
U.S. Car Total	**149,381**	**159,082**
TRUCKS		
Chrysler	113	0
Dodge	12,356	10,443
Jeep	6,176	6,791
Plymouth	4,096	4,222
Chrysler Motors	22,741	21,456
Ford Motor Co.	32,863	38,581
Chevrolet	31,378	29,827
GMC	7,953	8,559
Oldsmobile	260	0
Pontiac	356	0
General Motors	39,947	38,386
Nissan	3,327	2,220
U.S. Truck Total.	**98,878**	**100,643**
U.S. Car-Truck Total	**248,259**	**259,725**

Chrysler's car sales slumped 11.97 percent. Plymouth, up 12.84 percent, was the only gainer.

In mid-November, Nissan, GM and Chrysler sold more light trucks than a year ago, but Ford's loss pulled the industry's total below 1988.

The four manufacturers sold 98,878 light trucks, down 1.75 percent from 100,643 last year.

Nissan's domestic light-truck sales rose 49.86 percent. Chrysler sold 5.99 percent more light trucks, and GM reported a 4.07 percent gain. Ford's light-truck sales fell 14.82 percent.

British court lifts DeLorean from lawsuit by liquidators

LONDON — Former automaker John Z. DeLorean, whose car company in Northern Ireland went bankrupt in 1982, has won a High Court order setting aside an English court order against him for more than $51 million.

Judge Peter Gibson overturned a July 1987 court order that allowed legal documents in the case to be served on DeLorean at his home in New Jersey, outside the jurisdiction of the English courts.

"It follows that all subsequent orders made against Mr. DeLorean will fall away," Gibson said.

The ruling was the latest stage in a dispute between DeLorean and the liquidators of DSQ Property Co., incorporated in Northern Ireland and formerly called DeLorean Motor Cars.

DSQ claimed damages against DeLorean, a former General Motors executive, for alleged conspiracy, deceit and breach of fiduciary duty, Gibson said.

In June 1988, the High Court entered a judgment against DeLorean ordering him to pay more than $51 million.

Gibson said DeLorean took no part in the English proceedings until this year, when DSQ sought to enforce the judgment in the United States.

On July 10, DeLorean asked the High Court to set aside the order allowing service in the United States and subsequent orders against him.

The application was opposed by DSQ, which went into receivership in 1982 and later into liquidation.

Gibson ruled that in DSQ's application to serve documents on DeLorean outside English jurisdiction, there had been "serious non-disclosures" of matters, including the existence of proceedings against DeLorean in the United States unrelated to DSQ.

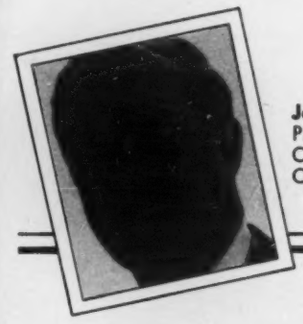
DSQ must pay DeLorean's legal costs but was allowed to appeal Gibson's ruling, which was suspended pending appeal.

A federal judge in Detroit earlier this year ordered U.S. enforcement of the British default judgment. DeLorean appealed the ruling to the U.S. Sixth Circuit Court in Cincinnati, which had not yet ruled on the appeal when the London judgment was overturned.

In 1982, DeLorean was arrested in Los Angeles on charges of drug trafficking but was acquitted two years later of conspiring to distribute $24 million worth of cocaine in the United States in a bid to raise money for the failing car company.

— The Associated Press

YUGO ...ON THE MOVE!



John A. Spiech
President and
Chief Executive
Officer

DEALER UPDATE!

Here are some important points about Yugo that you may have missed over the last few months:

- Yugo has kept Norauto cars off the market to protect dealers.
- Yugo has had an orderly sale of cars to the dealers without disrupting the retail market.
- Yugo has protected its customers and dealers by providing continued reimbursement of warranty claims on a timely basis.
- Yugo has maintained a consistent flow of spare parts.
- Yugo has restructured its organization to be more responsive to dealer needs.
- Yugo has protected the dealers in the reorganization plan, allowing active dealers to recoup all of their funds. Make sure you vote for the plan.
- Yugo has developed a new product line. The new models are coming. Cars that are right for the U.S. market...technically advanced with a high quality control level. I have personally held up production of the new Cabrio until the quality is right.
- In select markets, new dealers have been appointed to the Yugo family.

Zastava, the billion dollar company that manufactures Yugo, has been the key to the rapid turnaround of Yugo in the U.S.. Their commitment is the foundation for future Yugo sales success.

Even during these tough times Yugo has consistently outsold Peugeot, Sterling, Porsche, Suzuki cars and Alfa-Romeo; and for the month of October 1989, Yugo outsold Isuzu cars.

I am restating my commitment to Yugo America, Inc., Zastava and the active Yugo dealer network. I will continue my relentless pursuit to resolve Yugo America's current situation once and for all. I have put into place a solid business foundation that will make the Yugo America franchise profitable for all Yugo dealers.

TOGETHER WE ARE ON THE MOVE TO SUCCESS.

John A. Spiech
John A. Spiech

YUGO AMERICA

The Right Car. At The Right Price. At The Right Time.

AUCTION DIRECTORY

CALIFORNIA

California Auto Dealers Exchange. 2800+ wkly consignment incl large fleet/lease sale. 11 lanes. Sale every Wed. 10 AM. 1320 N Tustin, Anaheim CA 92807, 714-996-2400.

COLORADO

Denver Auto Auction, 17500 East 31st Ave., Aurora, Colorado 80011. Sale every Wednesday, 10 a.m sharp! 303-343-3443.

DELAWARE

Carroll's Auto Auction, Route 13, P.O. Box 307, Felton, DE 19943. Sales Tuesday & Thursday. Lease accounts and bank repos. 302-284-4911.

FLORIDA

SANFORD AUTO AUCTION
7 Lane Selling - Thurs. 6:00 PM Sharp
1500 Vehicle Weekly Consignment
3895 S.R. 46 East, P.O. Box 997
Sanford, Florida 32772
(407) 323-4090
BANK REPOS - FLEET LEASE SERVICE

FLORIDA

Lakeland Auto Auction, I-4, SR 33, P.O. Box 90007, Lakeland, Florida. Sale every Wednesday. 813-984-1551. "Profit the Lakeland way."

FLORIDA

BANK • LEASE • DAILY RENT
DEALER CONSIGNMENTS
FRIDAY - 11:00 A.M.
Wednesday - 7:00 P.M.
LEE COUNTY AUTO AUCTION
Ft. Myers, Florida
813-337-5141

FLORIDA

Gulf Coast Auto Auction, 1319 61st Ave. E., Bradenton, Fla. 34203. 813-756-8478. Complete service fleet & lease accts. Every Thurs. noon. Contact: Henrietta Letty, G.M.

GEORGIA

Perry's Auto Auction. Georgia's oldest dealer sale since 1962. Fleet & lease accts. welcome. Sale ea. Thur., 11 A.M. Recon & pick up. Ph: 912-237-6496; fax 912-237-6716.

INDIANA

Indianapolis Auto Auction, 317-298-9700. Sale every Thur., 11:00. GMAC, Bank One repos, major fleet lease, trucks & imports. GM-Ford-Chrysler Factory Sales monthly.

INDIANA

Mid States Auto Auction, 25784 Western Ave., PO Box 3237, South Bend, IN 46619. 219-289-7767. Fax #219-288-2731. Serving Dealers, Banks, Fleet & Lease Weds., 6 PM.

KENTUCKY

Bowling Green Auto Auction, P.O. Box 416, Bowling Green, Ky. 42101. 502-781-2422. Sale every Weds. 5 lanes. Hottest sale in Ky. Serv. Fleet & Lease. Fax, 502-781-5361

KENTUCKY

Mid-America Auto Auction, 502-454-6666. 3515 Newburg Rd., Louisville, KY 40218. Sale every Tuesday beginning 1/9/90. 32 acres, 6 lanes, fleet, repos & full recon.

MAINE

M.A.D.E. Auto Auction, Exit 11 Maine Turnpike, Gray, Maine. 4-lane, sale Tues. at noon, Weds. to 7 PM. Fleet-lease-pickup recon for N.E.A. J.C. Heim, 207-657-2000.

MASSACHUSETTS

American Auto Auction, 600 Providence Hwy., Walpole, Mass. 02081. Sale every Tuesday, 11 A.M. 617-329-4955.

MASSACHUSETTS

Concord Auto Auction, Rt. 2, P.O. Box 257, Acton, Mass. 01720. Fleet & Lease accounts. Ford Factory Sale. Sale every Friday, 10 A.M. 617-263-8300.

NEW JERSEY

Commonwealth Auto Auction 609-423-3333. Every Tues. & Thur. - 7 PM, Mickleton, NJ. Exit 17 off I-295. Make money buying & selling to public. Cars/Trucks/Vans.

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Expressway Auto Auction. South Main St., Dansville, N.Y. Tues. 5:45 PM. 5 lanes. Fleet, lease, bank, Chrysler & Ford Mtr Cr. veh. wkly. 716-335-6071; fax, 335-3486.

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NEW YORK

Northway Exchange, Inc., Rte. 146, Clifton Park, N.Y. Auction, 518-371-7500; Recon, 371-7800. Northeast's Finest - Every Thursday, 11:00 A.M. sharp. 6 active lanes.

NEW YORK

Central Auto Exchange. 716-647-3000, Rochester. Growing auction selling 1000/mo. Will bend over backwards for yr business. Dealers Wed. Public auction Mondays.

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Aycock Auto Auction, I95 & S. Bagley Rd., Kenly, NC 27542. Sale every Monday 11 AM. We service fleet & lease. Reconditioned facility. Kenneth Aycock, 919-284-4052.

NORTH CAROLINA

Statesville Auto Auction, I77 & Hwy. 21, Exit 54, Statesville, N.C., (704) 876-1111 — Every Tuesday, 10:00 A.M. Body Shop-Recon & Transportation available.

NORTH CAROLINA

Greensboro Auto Auction, 3802 Wendover, Greensboro, NC, 919-299-7777. Wed., 10 AM. Ford Mtr. Cr., Nissan Mtr. Accept., World Omni. Recon, Body Shop & Transp.

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Wednesday Auto Auction. Exit 49 on I-270. Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

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OKLAHOMA

Dealers Auto Auction of Oklahoma City, Box 75757, Oklahoma City, OK 73147. Sale every Thurs. 10 A.M. GMAC, Ford Motor Credit, Chrys. Credit weekly. 405-947-2886.

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Todd Auto Auction, Old Route 309, P.O. Box 380, Telford, Pa. 18969. 215-721-1300 or 800-234-TODD. Next Sale — Dec. 14th — Christmas Sale.

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Nittany Auto Auction, 25 Decibel Rd., State College, PA 16801. 814-238-1017. Tues. 12 noon. Off-lease & Bank repos. Recon-transp. "Your equal opportunity dealer sale".

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Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

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Bruce Auto Auction, 912 Poinsett Hwy (25N) Greenville 29609. 803-242-3090, Fax 803-271-6510. 1st & 3rd Tues. 5:30 pm & Sat. 7 pm. Fleet/lease/repos/trades. 4 lanes.

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Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Every Tues., 11 AM; every Thurs., 7 PM; Salvage Sale, 1st & 3rd Weds., 9 AM.

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TEXAS

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: Larry Crawford or Jimmy Compton, 817-626-5494.

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Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

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AUCTION DATES

Chrysler Motors

Dec. 5 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago, Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Southwest Auto Auction, Chandler, Ariz.; Greensboro Auto Auction, Greensboro, N.C.; and San Antonio Auto Auction, San Antonio, Texas.

Dec. 6 — A.D.E. of Birmingham, Moody, Ala, and Butler Auto Auction, Gibsonia, Pa.

Dec. 7 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Omaha Auto Auction, Omaha, Neb.; Riverside Auto Auction, Riverside, Calif.; and Ark-La-Tex Auto Auction, Shreveport, La.

Dec. 12 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Metro Auto Auction, of Kansas, Lee's Summit, Mo.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Washington; and Dallas Auto Auction, Grand Prairie, Texas.

Ford Motor Co.

Dec. 5 — Ohio Auto Auction, Grove City, Ohio; Harrisonburg Auto Auction, Harrisonburg, Va.; Bay Cities Auto Auction, Hayward, Calif.; and South Seattle Auto Auction, Kent, Wash.

Dec. 6 — Albuquerque Auto Auction, Albuquerque, N.M.; Aptco Auto Auction, Taylor, Mich.; Fort Worth Auto Auction, Fort Worth, Texas; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

Dec. 7 — Auto Auction of Billings, Mont., Denver Auto Auction, Aurora, Colo.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Dec. 12 — Greater Chicago Auto Auction, Chicago, and Newburgh Auto Auction, Newburgh, N.Y.

General Motors

Dec. 5 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

Dec. 6 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Dec. 7 — Amarillo Auto Auction, Amarillo, Texas; Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Columbus Fair Auto Auction, Columbus, Ohio; Portland Auto Auction, Portland, Ore.; St. Louis Auto Auction, St. Louis; and Utah Auto Auction, West Bountiful, Utah

Dec. 12 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; National Auto Dealer Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Toyota

Dec. 5 — Southern California Auto Auction, Fontana, Calif.

Dec. 6 — Baltimore-Washington Auto Exchange, Baltimore, Md.

Dec. 7 — Bay Cities Auto Auction, Hayward, Calif., and Clanton's Auto Auction, Darlington, S.C.

Dec. 12 — Florida Auto Auction of Orlando, Ocoee, Fla.; Southern Auto Auction, East Windsor, Conn.; and Denver Auto Auction, Aurora, Colo.

Model-year breakdown

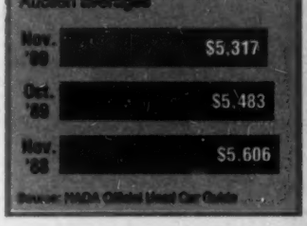
Used car sales, auction averages

Year	Sept.	Oct.	Nov.
1989	$10,399	$9,911	$9,701
1988	7,481	7,241	7,083
1987	5,966	5,798	5,692
1986	5,087	4,902	4,702
1985	4,147	4,081	3,951
1984	3,234	3,134	3,141
1983	2,464	2,426	2,367
1982	1,929	1,880	1,972
Overall Average	$6,825	$6,413	$3,317

Source: NADA Official Used Car Guide

Used car sales

Auction averages



Source: NADA Official Used Car Guide

Vehicle trade deficit shows improvement

WASHINGTON — The U.S. trade deficit for passenger cars and light trucks improved 4.0 percent in August, helped by a 6.0 percent decline in the value of imports. The value of automotive exports fell 16.4 percent for the month, but from a smaller base.

The latest figures from the U.S. Commerce Department show the automotive trade deficit in August was $3.04 billion compared with a deficit of $3.16 billion in August of last year.

The annualized U.S. automotive trade deficit is running 5.1 percent ahead of last year at $45.4 billion. The deficit for the 12-month period ended August 1988 was $43.22 billion.

The number of passenger cars imported during August declined 17.0 percent from a year ago, falling to 278,972 units, with an estimated value of $3.03 billion. Imports of light trucks increased 4.9 percent for the month to 59,950 units, with an estimated value of $508.9 million.

The number of passenger cars exported during August fell 39.0 percent from a year ago to 29,176 units, with an estimated value of $357.1 million. The number of light trucks exported in August was virtually unchanged from a year ago, although the value of light-truck shipments increased 27.5 percent to $143.7 million.

The United States' weak export performance during August included a 20 percent decline in the value of passenger car exports to Japan, a 34 percent drop in the value of passenger car shipments to Canada and a 9.5 percent drop in the value of passenger car exports to countries labeled "others" by the Commerce Department.

The value of light-truck exports to Canada increased 31.1 percent during August but dropped 3.7 percent to other countries.

During the most recent 12 months, U.S. automotive exports have fallen 18.9 percent, from an annualized total of 921,552 vehicles as of August 1988, to 747,577 vehicles in July 1989.

Imports of cars and light trucks have also declined on an annualized basis, but from a much higher base. The number of vehicles imported for the year ended August 1988 was 5.30 million. That number fell to 5.15 million units in August 1989.

Imports of passenger cars from Japan were down 9.5 percent, and Japanese imports of light trucks fell 13.5 percent to 34,234 units for the month.

Imports of cars from Canada were down 4.8 percent, while Canada's truck shipments increased 40.4 percent.

West German passenger car imports increased by 0.3 percent in August to 14,684 units.

The number of passenger cars shipped from South Korea fell 75.8 percent in August to 9,741 units. South Korea shipped 40,294 units during August 1988.

Swedish car imports fell 44.4 percent to 2,134 vehicles in August.

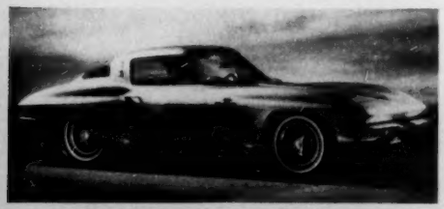
Mexico shipped 9,481 cars in August versus 13,300 one year ago.

Yugoslavia failed to export any vehicles during August.

Passenger car shipments from the United Kingdom were up 10.5 percent to 1,638 vehicles for the month.

Italy continued to boost imports significantly in August registering a 115.7 percent increase for the month. On an annualized basis, Italian imports are running 20.7 percent ahead of last year. France imported 77 cars in August compared to 1,961 in August 1988. French imports are 52.5 percent off last year's annualized tally.

Brazilian passenger car shipments were up 23.5 percent to 6,952 units in August, but down 33.6 percent when compared to August 1988.



The 1963 Sting Ray is a likely candidate for the museum Corvette buffs are planning.

Bowling Green may be site of buffs' Corvette museum

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

A group of muscle-car buffs wants to build a Corvette museum near the car's home plant in Bowling Green, Ky.

The National Corvette Restorers Society Foundation is expected to consider a proposal from local officials next month that would include a public bond sale to help finance a 100,000-square-foot "Corvette-muscle car complex."

The 10,000-member group had asked General Motors for financial assistance but was turned down.

The proposed center would contain a museum for all Corvette models, displays of other vintage muscle cars, convention space, and the national headquarters for the society and possibly other automotive associations, said Darrel Bowlin, a Corvette Restorers Society board member.

A Bowling Green Chamber of Commerce task force is currently working to acquire 20 acres to donate to the museum. The task force is expected to approach the Corvette Restorers Society board of directors in January with a formal proposal.

Bowlin estimated the project would cost "less than $10 million."

The Bowling Green Corvette factory is one of the largest tourist attractions in Kentucky, drawing more than 45,000 visitors a year.

Bowlin said the society has projected that the museum will draw approximately 65,000 visitors in its first year and 100,000 annually in three years.

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Aug. 1988	Aug. 1989	Sept. 1987-Aug. 1988	Sept. 1988-Aug. 1989
Japan	Export	950	497	12,074	21,058
	Import	178,475	161,584	2,174,077	2,136,193
Canada	Export	39,927	20,967	602,451	418,574
	Import	74,168	70,629	1,134,029	1,136,495
West Germany	Import	14,638	14,684	275,553	251,270
South Korea	Import	40,294	9,741	430,935	356,756
Sweden	Import	3,835	2,134	107,561	111,257
Mexico	Import	13,330	9,481	148,007	159,007
Yugoslavia	Import	1,000	0	39,175	5,862
United Kingdom	Import	1,482	1,638	38,876	28,946
Italy	Import	540	1,165	6,945	8,385
France	Import	1,961	77	17,491	8,315
Brazil	Import	5,630	6,952	71,178	47,282
Others	Export	6,947	7,712	111,247	144,791
	Import	622	887	19,307	24,728
Car total	Export	47,824	29,176	725,772	584,423
	Import	335,975	278,972	4,463,134	4,274,728
TRADE BALANCE		(288,151)	(249,796)	(3,737,362)	(3,690,305)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	10,151	10,750	169,092	141,041
	Import	17,469	24,527	257,786	393,705
Japan	Import	39,596	34,234	572,657	476,403
Mexico	Import	6	1,125	72	1,542
Others	Export	1,311	292	26,687	21,688
	Import	67	64	1,693	1,593
Truck total	Export	11,462	11,458	195,780	163,154
	Import	57,138	59,950	832,208	873,243
Trade balance		(45,676)	(48,492)	(636,428)	(710,089)
Car and truck total	Export	59,286	40,634	921,552	747,577
	Import	393,113	338,922	5,295,342	5,147,971
TRADE BALANCE		(333,827)	(298,288)	(4,373,790)	(4,400,394)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Aug. 1988	Aug. 1989	Sept. 1987-Aug. 1988	Sept. 1988-Aug. 1989
Japan	Export	$ 12,223	$ 9,783	$ 155,732	$ 289,572
	Import	1,665,416	1,595,741	19,913,720	20,538,370
Canada	Export	396,102	261,560	6,152,946	4,766,588
	Import	829,978	781,769	12,638,320	12,721,385
West Germany	Import	330,288	333,157	6,771,205	5,831,324
South Korea	Import	217,029	63,756	2,289,998	2,075,642
Sweden	Import	59,541	35,183	1,657,014	1,785,737
Mexico	Import	111,063	77,124	1,270,374	1,377,353
Yugoslavia	Import	2,998	0	103,887	14,905
United Kingdom	Import	51,057	58,301	1,070,391	949,195
Italy	Import	10,720	31,647	160,193	238,315
France	Import	19,810	881	186,228	98,509
Brazil	Import	33,126	42,784	392,398	284,913
Others	Export	78,343	85,749	1,434,235	1,851,852
	Import	9,656	12,787	305,451	383,238
Car total	Export	486,668	357,092	7,742,914	6,908,012
	Import	3,340,680	3,033,127	46,759,180	46,298,887
Trade balance		(2,854,012)	(2,676,035)	(39,016,266)	(39,390,875)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 100,444	$ 131,889	$ 1,702,412	$ 1,579,405
	Import	180,558	297,323	2,831,960	4,794,013
Japan	Import	238,485	196,287	3,251,119	2,992,505
Mexico	Import	1,030	13,768	6,643	23,504
Others	Export	12,276	11,821	334,145	276,636
	Import	6,802	1,537	147,880	66,924
Truck total	Export	112,719	143,710	2,036,557	1,856,042
	Import	426,876	508,915	6,237,602	7,876,946
Trade balance		(314,157)	(365,205)	(4,201,045)	(6,020,904)
Car and truck total	Export	599,387	500,802	9,779,471	8,764,054
	Import	3,767,556	3,542,042	52,996,782	54,175,833
VEHICLE TRADE BALANCE		(3,168,169)	(3,041,240)	(43,217,311)	(45,411,779)
TOTAL U.S. Merchandise trade (customs value)	Export	27,477,900	30,407,800	301,879,000	353,128,500
	Import	37,622,700	41,180,200	430,569,500	466,034,800
TRADE BALANCE		(10,144,800)	(10,772,400)	(128,690,500)	(112,906,300)

2-STROKE

FROM PAGE 1

and Nissan Motor Co. believe they've found a simpler, lighter, smaller and more fuel-efficient engine. But they also warn that two-strokes are not a panacea for all models — particularly if emissions standards are tightened excessively.

Other engineers — primarily in Japan — are building two-strokes that rival or exceed the mechanical sophistication of present four-stroke engines. Those experts are looking for size, fuel efficiency and emissions levels similar to those of a four-stroke four-cylinder or V-6 with the power and torque output of a V-8. Experts at those companies say the powerplants are suitable for "full-sized" trucks and luxury sedans.

Just as interesting is the list of automakers — some with high-volume two-stroke production experience — not developing two-strokes, or unwilling to reveal plans: Honda Motor Co., American Suzuki Motor Corp., Saab-Scania AB, Chrysler Motors, Daimler-Benz AG, Jaguar Cars, AB Volvo, BMW of North America, Audi of America, and Porsche AG.

GM and Ford researchers lean toward simple two-strokes without a conventional crankshaft-driven valvetrain, like two-stroke outboard and lawn mower engines.

The other school, Toyota Motor Corp., Mazda, Fuji Heavy Industries — maker of Subaru cars — and Peugeot S.A., is also looking for the high output and lower vibration associated with a power stroke every crankshaft revolution. But those researchers would like the higher fuel efficiency and lower emissions provided by a sophisticated valvetrain's tight control of intake and exhaust timing.

Some of these more complicated — and expensive — two-strokes even incorporate superchargers.

GM is cautiously optimistic about its two-stroke program according to Donald L. Runkle, vice president of GM's advanced engineering staff, and Roger A. Heimbuch, an executive engineer with that staff.

Heimbuch said a two-stroke engine in an entry-level vehicle would be a "default" application. "Really, we have greater expectations for this engine if certain things Ralph Sarich says about two-strokes prove out," Heimbuch said.

Sarich is president of Orbital Engine Co. in Australia, a leader in two-stroke engine technology.

Runkle said that hydrocarbon emissions and 100,000-mile emissions certification are concerns.

"The big benefits we see are packaging and weight," said Runkle.

Runkle and Heimbuch said a major benefit is styling flexibility because a two-stroke engine can be installed in virtually any position — perhaps even on its side under a rear seat.

GM and Ford have licensing agreements with Orbital Engine Co., which is owned by two publicly traded Australian companies, Broken Hill Proprietary Co., a widely diversified conglomerate, and Sarich Technologies Trust. Orbital is widely recognized for its advanced work on the simple two-stroke engine and the pneumatic fuel injection systems that make two-stroke engines environmentally viable.

Runkle downplayed the effect of pioneering Orbital technology at GM. But in May, Runkle said that GM was not able to make its two-stroke engine pass current and anticipated tailpipe standards. At that time, Orbital was claiming that its engines had already met the proposed new standards of 0.25 grams per mile hydrocarbons and 0.4 gpm nitrogen oxides.

"Sarich knew some things we didn't know," Runkle said. "I'd say they were two to three years ahead of us."

Heimbuch said GM currently operates about five vehicles powered by two-stroke engine concepts. GM will show a GM-developed two-stroke at the North American International Auto Show in Detroit in January.

Ian Macpherson, director of Ford's powertrain engineering office, said the company has not decided where it intends to use the two-stroke engine.

"It would probably be used in relatively small passenger cars," he said. "And, perhaps, a European application would be a better opportunity."

Macpherson said the preferred version of the engine is either a three-cylinder or a compact V-6.

"We're actively pursuing the concept," he said. "But it is not a forgone conclusion."

Chrysler Motors steadfastly refuses to comment on its two-stroke-engine program. Sarich said that talks between Chrysler and Orbital Engine broke off several months ago.

"Some makers aren't talking because they're not even in the ballpark," said a Chrysler spokesman. "But I can assure you that we're in the ballpark."

Nissan admits that it has researchers examining simple two-strokes for future applications.

Other Japanese makers that acknowledge work on two-stroke engines are Toyota, Subaru, and Mazda. And although other Asian makers are said to be working furiously on two-strokes, a curtain of silence covers their efforts.

Toyota Motor Corp. has been making news with its supercharged, four-valve two-stroke engines. There are two "S-2" engines: a gasoline and a diesel. Toyota sources hint that the company will use the 3- or 4-liter powerplants in a full-sized pickup or possibly even a luxury vehicle. Industry experts said Toyota could introduce a two-stroke as early as 1993.

"In the mid '70s, emission control was the most important issue. And that led to three-way catalyst," said Toyota Senior Managing Director Yoshiro Kimbara. "Now, there are new needs regarding the environment, and we must improve mileage efficiency. The next logical step is to make a lighter, smaller engine. The two-stroke engine, if you can make it viable, will get two times the output of a four-stroke."

Fuji Heavy Industries surprised a September SAE meeting by releasing information about its 1.6-liter V-4 two-stroke. The Fuji engine utilizes a screw-type supercharger, a wet-sump lubrication system, direct fuel injection, piston intake valves and rotary exhaust valves. Power is said to be in the 176-horsepower range.

A Subaru spokesman said he was unaware of any firm plans for a U.S. version of a two-stroke-powered vehicle.

Mazda has applied for a patent on a novel two-stroke engine that uses a complex breathing system with intake and crankshaft-driven exhaust valves, a scavenging port and a supercharger.

Peugeot S.A. and the Institut Francais du Petrole delivered a paper in July on a low-emissions two-stroke engine at the Second International Conference on New Developments in Powertrain and Chassis Engineering in Strasbourg, France. But so far, work is said to be limited to a single-cylinder concept engine.

TWO-STROKE PLANS OF CARMAKERS

Company	Engine project
General Motors	Simple, light, small, EFI
Ford	Simple, cheap, light I-3 or V-6
Nissan	Simple, light, small, cheap, smooth
Chrysler	Something, but no details
Toyota	Complex, supercharged, four-valve
Subaru	Complex, supercharged, 1.6-liter V-4
Peugeot	Complex, single-cylinder fuel-injected
Mazda	Complex, supercharged, crankshaft-driven valves

The following companies have no plans for a two-stroke engine: Honda, Suzuki, Saab Scania, Daimler-Benz, Jaguar, Volvo, BMW, Audi, Porsche

Toyota's 24-valve, six-cylinder two-stroke engine.

SALES

FROM PAGE 1

coff said he doesn't anticipate a dramatic December increase so much as he sees smaller decreases than in October and November.

Pitcoff cited high interest rates as the chief economic cause of sluggish car sales. He declined to predict when 1990-model sales will pick up.

The trend toward higher sales in December than in November is a recent phenomenon. December auto sales trailed November's each year from 1977 to 1984.

But from 1985 through 1988, December sales outpaced November sales.

The biggest gain was in 1986 on the eve of the change in the federal income tax law.

Also during the 1985-89 period, the greatest sales increase occurred in the final 10-day sales period in December (see charts on Page 1).

At the retail level, cash incentives have been used extensively. Ford Motor Co. has introduced new models in December — Taurus/Sable in 1985, Lincoln Continental in 1987 and Thunderbird/Cougar in 1988.

"Those who are in the (December) market are there because they are making either emotional buys or 'must' buys," said John McDonald, general sales manager for Chrysler Motors.

"The week after Christmas, however, the market really takes off."

Vacationers have time to kick tires, and dealers holding inventory from the previous model year have had strong year-end factory-to-dealer incentives.

One company trying a big December marketing push is Mazda Motors of America, which launched a $30 million "Race to the Record" campaign Nov. 20; it runs through Dec. 31.

The program includes special promotional events, television ads and cash-to-dealer incentives on all models except Miata, MPV and Protege.

George McCabe, Mazda group vice president of operations, said the move is to capitalize on recent December sales surges.

"We've had December programs since 1986," he said. "Each has been very successful. The dealers are supportive and optimistic."

Other manufacturers say they shy from an extra December sales effort, citing a wish not to exploit the holiday season.

"It is said it's difficult to compete with Santa Claus," said Volkswagen of America spokesman Tom McDonald.

Audi of America spokesman Joe Bennett was more succinct: "At Audi, we have a long-standing attitude that we don't try to compete with the birth of Christ. You don't try and milk it."

Companies that truly experience a sales boost are specialty marques like Alfa-Romeo and Porsche.

"For the most part, December is a terrible month because people are thinking about the holidays and are spending big bucks on them," said Alfa-Romeo spokesman Craig Morningstar. "But for us, yes, it's a good sales time — because of Spyders. Those are emotional purchases."

Porsche Cars North America spokesman Ed Triolo agrees with the emotional aspect of a yuletide treat.

"The holiday season for the past few years has been pretty strong for Porsche," he said.

"There are a number of reasons, but people do tend to purchase Porsches as rewards for themselves, so maybe that's got something to do with it."

Automotive News Staff Reporter Arlena Sawyers contributed to this report.

FIAT

FROM PAGE 1

In addition to Togliatti, Fiat supplied technology to auto plants in Poland and Yugoslavia.

Fiat and Elaz, a subsidiary of the ministry, will create a 30-70 percent joint venture to design, engineer, develop and produce a car code-named A93.

"Foreign investment wasn't possible in the Soviet Union before 1987," said Susan Lewenz, Soviet desk officer for the U.S. Department of Commerce in Washington.

"There had been some licensing and some co-production arrangements, and overseas products were sold, but it wasn't possible actually to own an industry in the Soviet Union," she said.

Romiti said talks on A93 began during the Italia 2000 exhibition in Moscow last September.

A93 will be sold in the Soviet Union with Fiat and Soviet labels. Fiat will import one-third of annual output for sale in Western Europe.

Engines and transmissions are not included in the deal. Fiat offered its integrated robotized engine and transmission, but the Soviets have not decided which components to use.

The joint-venture does not yet have a name. Pugin referred to it simply as "phase 2 of the Yelabuga program" to increase Soviet passenger-car output with three phases of around 300,000 cars a year each. All will be manufactured around Yelabuga.

The first phase will be Oka 2, a subcompact derived from the current Oka. The third will be a bigger sedan. Fiat is expected to cooperate on Oka 2 and the third phase.

Key management positions will not be reflected by the 30-70 split. Given Fiat's more advanced technology background, Italian personnel are expected to play a major role, at least in the first years.

Romiti and Pugin said A93 will be a two-box compact offered in three- and five-door models. It will be 136 inches long and weigh 1,400 pounds. The engine will be a four-cylinder of 1.0 to 1.1 liters.

If the Soviets decline the Fiat offer of the fully integrated robotized engine — produced in 999-cc and 1,108-cc versions — they will probably use the engine exhibited by the ministry at the Tokyo auto show in October. It is a 1,090-cc unit delivering 56 horsepower.

A93 is completely different from the Oka minicar currently produced in limited numbers in the Soviet Union. Fiat assistance with Oka 2 is mentioned in the agreement signed in Rome, but it is not part of the $1.35 billion deal.

The Soviet Law on the Cooperative System, effective July 1, 1988, established the legal and economic independence of joint ventures with foreign firms.

Pugin said his ministry is responsible for annual production of 1.3 million cars, 800,000 trucks, 500,000 farm tractors and 3 million bicycles and motorcycles.

The ministry embraces 800 companies employing 3 million people. It has total sales of 15 billion rubles ($23.8 billion) a year.

Pugin said current passenger-car production in the Soviet Union is around 40-45 percent of the country's needs. When the Yelabuga program's 1 million units is completed, the ministry expects to be able to meet 60 percent of the country's needs, he said.

Automotive News Staff Reporter Jim Henry in New York contributed to this report.

ABC

FROM PAGE 1

"The program made the entire dealer body look bad. The Dodge group is very upset," said Larry Roesch, owner of Chrysler-Plymouth, Chevrolet and Volvo dealerships in Elmhurst and Villa Park, Ill. "There are some dealers who do these things, but not many before they are out of business."

Dennis Guest, who owns Chrysler-Plymouth and Dodge dealerships in Chicago and Chicago Heights, respectively, said the Chicagoland Chrysler-Plymouth Dealers Association will pull about $35,000 worth of December advertising from WLS and move it to WGN-TV.

"On the morning after the show aired, we had an immediate reaction from customers," said Guest. "It was very negative."

A WLS spokeswoman last week said she was unaware of any complaints by area dealers about the program or of withdrawn advertising.

The National Automobile Dealers Association, which represents some 20,000 new-car dealers, sent a letter to *20/20* complaining that the program lacked balance.

Mark Hermann, a Yonkers, N.Y., auto dealer and NADA vice president, appeared on the program to defend after-sale items like extended warranties and rustproofing.

Herrmann was concerned that the program told viewers they should expect to be able to purchase a car for $100 over dealer cost. "I wanted to get the point across that for any vendor to sell a $10,000 to $15,000 product for $100 over his cost is ludicrous," he said.

Was the show balanced? "Absolutely not," said Herrmann. "My 30 seconds was the result of a 30-minute interview. I don't ask for equal time — just a fair amount of time."

NADA is making a tape of the entire *20/20* segment available to dealers who request it.

Carr, a former new-car salesman, set the tone of the program by saying, "Everybody on the planet earth who has bought a car, has gotten ripped off by a car salesman."

Dealers want to know why Carr left the business — and if he used some of the shoddy practices he cited on *20/20* and in his book.

One *20/20* sequence involved a hidden camera showing a finance and insurance manager waffling on questions from an undercover reporter on the interest rate for financing a new car.

The reporter asked if it would be 12 percent. The manager — waving a cigarette — said it would be near that figure.

When the finance rate ended up at 14.5 percent, the reporter suggested that the manager had misrepresented the finance rate the first time.

A spokeswoman for the *20/20* show said the program averages 20 million viewers. She declined comment on the segment.

An ABC network spokesman said there has been virtually no response to the program in letters or telephone calls.

INCENTIVE WATCH

CUSTOMER INCENTIVES

	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date
Chrysler Motors (1988-89 models)						
Chrysler	$500-$1,000	6.9	7.9	9.9	9.9	None
Dodge cars	$500-$1,000	6.9	7.9	9.9	9.9	None
Dodge trucks	$500-$2,500	6.9	7.9	9.9	9.9	None
Eagle	$750-$1,200	6.9	7.9	9.9	9.9	None
Jeep	$500-$1,000	6.9	7.9	9.9	9.9	None
Plymouth	$500-$750	6.9	7.9	9.9	9.9	None
Chrysler Motors (1990 models)						
Chrysler	**$500-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Dodge cars	**$300-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Dodge trucks	**$500-$2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Eagle	**$500-$2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Jeep	**$500-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Plymouth	**$300-$750**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Ford Motor Co. (1989 models)						
Ford cars	$500-$1,000	6.9	8.9	9.9	10.9	None
Ford trucks*	$500-$1,250	6.9	8.9	9.9	10.9	None
Lincoln	$1,000-$1,500					None
Mercury	$600-$1,500	6.9	8.9	9.9	10.9	None
Merkur	$3,000-$4,000					None
*-Ford truck finance incentive applies only to Ranger, Bronco and Bronco II.						
Ford Motor Co. (1990 models)						
Ford cars	**$500-$1,000**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Ranger, Bronco, Bronco II, Econoline	**$500-$1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Mercury Topaz, Cougar, Sable	**$800**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
*-Ford truck finance incentive applies only to Ranger, Bronco and Bronco II.						
General Motors (1989 models)						
Chevrolet cars	$300-$1,000	6.9	8.9	9.9	10.9	Feb. 2
Chevrolet trucks	$500-$1,250	6.9	8.9	9.9	10.9	Feb. 2
GMC	$500-$1,250	6.9	8.9	9.9	10.9	None
General Motors (1990 models)						
Buick	**$200-$1,000***	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
Chevrolet cars**	**$500-$1,400**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
Chevrolet trucks	**$500-$1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
GMC	**$1,000-$1,250 on S-15 pickup, Blazer; $750 on full-sized Jimmy and Suburban**	**6.9**	**8.9**	**9.9**	**10.9**	**Jan. 4**
Pontiac	**$500-$1,000**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
*-Based on option package selected **-Prizm: $800 for domestic owners; $1,400 for import owners						
Hyundai Excel (1988-89 models)	$500-$1,000					Jan. 3
Nissan Stanza (1990)	$1,500-$2,000			7.9	9.9	Dec. 4
Sterling (1989)	$3,500-$5,000					Dec. 31
Subaru Justy ('89)	$500-$1,000*					Jan. 3
*-Rebates go to the customer in some regions and to the dealer in other regions.						
Volkswagen (1989 models)	$500-$4,000	2.9	6.9	7.9	9.9	Dec. 31

Makers add, sweeten sales incentives

Several carmakers enhanced their incentive programs last week.

Subaru of America announced new cash-to-dealer incentives. It is offering $1,000 on the 1990 Legacy through Jan. 14, and through Jan. 3 dealers can earn $200 on the 1989 Justy with electronic continuously variable transmission.

Ford Motor Co. extended through Jan. 3 its dealer incentives of $250 to $750 on the 1989 Ford Ranger, $250 on the 1989 Ford Bronco II and $250 on the 1990 Ranger and Bronco II.

Chevrolet enhanced truck incentives by increasing the rebate on 1989 and 1990 full size Blazer and Suburban from $750 to $1,000, effective through Feb. 2. Also, the $500 incentive on the 1989 C-1500/3500 pickup and cab-chassis (2wd only) and 1989 Astro van has been extended to Feb. 2.

Buick's dealer incentive of $1,000 to $2,000 on the 1990 Reatta, Riviera and Park Avenue Ultra has been extended until Feb. 2.

Chrysler Motors boosted the customer rebate on 1990 Eagle Premier models. The payment on the Premier LX was increased to $1,000 from $700; the Premier ES rebate is $1,500, up from $700; and the Premier LTD payment is $2,000 up from $1,000.

Chrysler also is offering $6,000 to dealers and $1,000 to salesmen for sales of the 1989 TC by Maserati. Both programs run indefinitely.

The Volkswagen customer incentive program, which was expected to expire Nov.30, has been extended until Dec. 31. It includes $500 to $4000 cash rebates or financing ranging from 2.9 percent to 9.9 percent, depending on the length of the contract.

Customer and/or dealer incentives on 1989 and 1990 Mitsubishi and Audi models expired Nov. 30.

— Arlena Sawyers

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Chrysler (1989 models) TC by Maserati	$6,000	None
Ford Motor Co. (1989 models) Festiva	$200-$400, quota	Dec. 31
Escort, Tempo, Taurus Thunderbird	$200-$500, quota	Jan. 9
Taurus SHO	$1,000	Jan. 9
Ford Ranger	$250-$750, quota	Jan. 3
Bronco II	$250	Jan. 3
Aerostar, F Series	$200-$500	Jan. 9
Ford Motor Co. (1990 models) Festiva	**$200-$400, quota**	**Dec. 31**
Escort, Tempo, Taurus, Thunderbird	**$200-$500, quota**	**Jan. 9**
Taurus SHO	**$1,000**	**Jan. 30**
Ford Ranger, Bronco II	**$250**	**Nov. 27**
Aerostar, F Series	**$200-$500, quota**	**Jan. 9**
General Motors (1989 models) Oldsmobile	$500-$2,500	Jan. 3
Pontiac	$500-$1,250	None
General Motors (1989-90 models) Buick (1990 only)	**$1,000-$2,000 on Reatta, Riviera, Park Avenue Ultra**	**Feb. 2**
All Buick	**$200-$500, quota**	**Jan. 4**
Chevrolet Cars	**$200-$500, quota**	**Jan. 4**
Chevrolet Trucks*	**$200-$500, quota**	**Jan. 4**
GMC*	**$200-$500, quota**	**Jan. 4**
Oldsmobile	**$200-$500, quota**	**Jan. 4**
Oldsmobile (1990 only)	**$500-$1,000, quota**	**Jan. 3**
Pontiac	**$200-$500, quota**	**Jan. 4**
*—Excluding S-15 pickup and Blazer and S-15 pickup and Jimmy		
Hyundai (1989-90 models)	$300-$1,500	Jan. 3
Isuzu (1989 models)	$1,500, quota	Dec. 31
Nissan (1989 models) Axxess, trucks	$200-$2,000	Dec. 4
Peugeot (1989 models)	$1,000	Dec. 31
Subaru XT (1989 model)	$1,000-$3,000*	Jan. 3
Justy ECVT (1989 model)	$200	Jan. 3
Legacy (1990 models)	**$1,000**	**Jan. 14**
*-Rebates go to the customer in some regions and to the dealer in other regions.		
Toyota Tercel, Celica (1989 models)	$300-$500	Dec. 4
Corolla, Camry (1989 models)	$500-$800, quota	Jan. 3
Corolla, Camry (1990 models)	**$100-$400, quota**	**Jan. 3**

Rustproofer plans to file bankruptcy

Hap Hirsh, former owner of Florida-based Thermo-Guard Inc., said last week the company will seek protection under federal bankruptcy laws.

He declined to say when attorneys will file.

Hirsh, who says he now works for R&A Dealers Consultants in Florida, closed Thermo-Guard Sept. 29 after operating the rustproofing business for 12 years.

He said R&A Dealers Consultants, which opened days after Thermo-Guard closed, is owned by Robert Huggins, a former Thermo-Guard distributor.

OBITUARIES

Vernon D. Roosa

HARTFORD, Conn. — Vernon D. Roosa, 78, retired vice president of research and development for Standyne Inc., died Nov. 11.

Output rises in full week, but trails '88

By Karen Dotkowski
SPECIAL CORRESPONDENT

Last week's targeted domestic auto production totaled 128,332 units, 58.48 percent above the previous holiday week's build, but 21.75 percent below the year-ago week.

So far this year, 6,412,219 cars have been assembled, 2.87 percent below last year's production at this point.

Companies split last week's estimated production as follows: General Motors, 46.37 percent; Ford Motor Co., 20.25 percent; Chrysler Motors, 12.55 percent; Honda of America Manufacturing, 5.74 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.49 percent; Toyota Motor Manufacturing U.S.A., 3.23 percent; Diamond-Star Motors, 3.18 percent; New United Motor Manufacturing Inc., 2.96 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.81 percent; and Subaru-Isuzu Automotive, 0.42 percent.

Truck output was estimated at 84,781 units last week, 63.20 percent above the Thanksgiving week, but 13.49 percent below the year-ago week.

Year-to-date, 3,838,935 trucks have been built, down 0.36 percent from last year's build at this time.

GM will idle its Fairfax plant in Kansas City, Kan., the first two weeks in January to adjust inventories. The plant produces the Pontiac Grand Prix and is currently idled for inventory adjustment until Dec. 11.

GM's Doraville, Ga., plant is scheduled to resume operations today. The plant had been closed for two weeks due to slow sales of the Oldsmobile Cutlass Supreme.

Ford idled its Lorain, Ohio, plant last week and extended the closing an additional week, until Dec. 11, because of slow dealer orders of the Ford Thunderbird and Mercury Cougar. Ford will close its Dearborn, Mich., assembly plant today for one week due to lagging Mustang sales.

Chrysler closed its Jefferson Avenue assembly plant in Detroit last week until Dec. 18 to adjust inventories of the Plymouth Horizon and Dodge Omni. The plant is scheduled to halt production permanently early in 1990.

Chrysler's Toledo, Ohio, Jeep plant closed last week to adjust inventory. The plant is scheduled to resume output today.

Auto production rises in Canada

Canadian auto production was targeted at 25,083 units last week, 24.06 percent above the prior week and 36.71 percent above the year-ago week.

Truckmakers scheduled output of 19,090 units last week, 1.28 percent below the previous week and 8.12 percent below the year-ago week.

Chrysler's Brampton, Ontario, plant closed last week to adjust inventory of the Jeep Wrangler and is expected to resume output today.

U.S. CAR	Week Ended Dec. 2, 1989	Week Ended Dec. 3, 1988	Week Ended Nov. 25, 1989	Nov. Est.	Jan. 1 to Dec. 2, 1989	Jan. 1 to Dec. 3, 1988
Horizon	0	2,149	676	3,787	31,608	74,510
Sundance	2,000	3,189	1,113	7,964	94,986	97,406
Reliant	0	2,700	0	0	0	85,541
Acclaim	2,700	954	1,593	11,907	119,893	4,200
Caravelle	0	0	0	0	0	9,265
Gran Fury	0	233	0	0	0	19,599
Total Plymouth	4,700	9,225	3,382	23,658	246,487	290,521
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,000	3,525	0	1,600	87,779	80,977
LeBaron GTS	0	283	0	0	2,946	8,723
N. Yorker C-Class	400	2,388	555	3,502	72,019	98,409
Fifth Avenue	500	1,053	512	3,570	24,586	30,510
Imperial	400	0	333	2,153	3,919	0
Total Chrysler	3,300	7,249	1,400	10,825	191,249	226,531
Omni	0	1,985	767	3,870	33,545	73,212
Daytona	1,300	2,361	0	1,040	68,225	73,305
Shadow	2,600	2,642	1,545	10,314	96,044	95,498
Aries	0	2,886	0	0	0	85,997
Dodge 600	0	0	0	0	0	8,549
Dynasty	2,200	3,050	1,790	11,795	123,338	104,204
Lancer	0	256	0	0	1,528	8,765
Spirit	2,000	1,174	1,362	9,016	102,668	4,150
Diplomat	0	572	0	0	0	17,952
Total Dodge	8,100	14,926	5,464	36,036	425,348	471,632
CHRYSLER MOTORS	16,100	31,400	10,246	70,518	863,084	988,684
Escort	2,988	9,285	4,441	31,109	326,743	386,118
Mustang	3,290	4,223	1,519	6,379	176,795	187,005
Tempo	2,581	3,870	1,898	11,569	137,907	171,323
Taurus	7,962	8,714	5,534	32,153	337,878	368,646
Thunderbird	0	3,041	1,873	8,852	129,937	103,101
Total Ford Div.	16,821	29,133	15,265	90,062	1,109,260	1,216,193
Topaz	1,246	1,630	835	4,521	62,553	65,916
Cougar	0	2,037	1,216	7,420	110,923	80,322
Sable	2,231	3,160	854	9,588	111,177	126,292
Total Mercury	3,477	6,827	2,905	21,530	284,653	272,530
Continental	1,704	1,817	872	6,269	61,043	50,395
Mark VII	569	909	293	2,076	19,816	26,271
Town Car	3,411	2,726	1,748	12,537	117,174	115,717
Total Lincoln	5,684	5,452	2,913	20,882	198,033	192,383
Total L-M Div.	9,161	12,279	5,818	42,412	482,686	464,913
FORD MOTOR CO.	25,982	41,412	21,083	132,474	1,591,946	1,681,106
Skyhawk	0	1,147	0	0	6,913	26,094
Skylark/Somerset	2,078	1,835	1,172	7,808	62,666	50,208
Century	1,930	3,461	1,215	8,550	116,827	132,159
Riviera	586	642	335	2,330	19,210	11,462
Electra	2,121	2,515	0	6,029	73,973	84,119
LeSabre (fwd)	4,120	2,911	2,062	14,083	144,702	125,787
LeSabre (rwd)	195	211	163	924	7,341	9,278
Reatta	199	259	121	611	5,951	8,988
Total Buick	11,229	12,981	5,068	40,336	437,583	448,095
Cimarron	0	0	0	0	0	3,693
Eldorado	606	751	387	2,569	27,801	33,009
Seville	720	562	429	2,855	21,834	21,722
Brougham (rwd)	1,258	897	738	3,657	51,121	33,219
DeVille (fwd)	3,775	5,192	2,319	14,793	171,099	150,327
Allante	75	75	45	300	2,962	2,014
Total Cadillac	6,434	7,477	3,918	24,175	274,817	243,984
Cavalier	7,130	7,242	4,269	29,322	336,918	332,604
Camaro	1,985	2,548	1,180	7,804	94,216	92,401
Celebrity	0	4,545	0	0	70,720	176,668
Corsica/Beretta	8,960	10,157	5,497	30,640	343,312	406,232
Caprice	2,718	3,697	1,505	8,952	154,874	193,209
Corvette	560	492	336	2,207	23,530	21,496
Total Chevrolet	21,353	28,681	12,787	78,924	1,023,570	1,222,610
Calais	1,522	3,023	982	6,632	82,730	109,847
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	2,250	1,664	1,337	8,427	81,269	33,460
Cutlass Supreme	0	0	0	6,439	103,550	130,208
Toronado	336	312	162	1,192	9,027	14,298
88 (fwd)	2,493	3,344	924	12,045	133,466	146,795
88 (rwd)	150	176	145	599	7,290	10,360
98	1,425	1,757	856	5,917	67,298	69,376
Total Oldsmobile	8,176	10,276	4,406	41,251	484,630	519,574
Sunbird	2,990	2,426	1,840	14,661	140,394	103,841
Grand Am	4,800	6,010	2,752	9,520	212,327	226,641
Firebird	1,265	1,646	720	5,019	54,003	61,808
Grand Prix	0	0	2,394	6,206	117,261	132,543
Pontiac 6000	1,605	2,569	919	6,162	74,070	87,680
Bonneville	1,666	2,973	0	6,116	86,112	113,386
Safari/Parisienne	0	97	0	0	2,691	7,010
Fiero	0	0	0	0	0	13,297
Total Pontiac	12,326	15,721	8,625	47,684	686,858	746,206
GENERAL MOTORS	59,518	75,136	34,804	232,370	2,907,458	3,180,469
DIAMOND-STAR	4,084	0	1,722	13,361	83,583	0
HONDA	7,360	7,338	4,248	29,248	339,735	343,237
Civic	1,488	2,463	938	8,537	123,579	102,643
Accord	5,872	4,875	3,309	20,711	216,156	240,594
MAZDA†	4,484	4,978	2,673	17,911	191,865	148,139
NISSAN	2,324	2,055	1,358	9,333	108,725	103,425
NUMMI	3,800	1,676	2,076	15,003	182,616	120,692
Corolla	1,700	1,497	965	6,932	75,266	49,727
Geo Prizm/Nova	2,100	179	1,111	8,071	107,350	70,962
SUBARU-ISUZU*	540	0	330	2,173	4,697	0
TOYOTA	4,140	0	2,437	16,398	138,510	0
VOLKSWAGEN	0	0	0	0	0	35,997
Golf/GTI	0	0	0	0	0	30,444
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	128,332	163,995	80,977	538,790	6,412,219	6,601,749
Total Cars, Canada	25,083	18,347	20,219	106,064	938,796	973,607
U.S., Canada Cars	153,415	182,342	101,196	644,854	7,351,015	7,575,356
U.S., Canada Cars and Trucks	257,286	301,124	172,484	724,983	12,073,040	12,300,179

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe

CANADIAN CAR	Week Ended Dec. 2, 1989	Week Ended Dec. 3, 1988	Week Ended Nov. 25, 1989	Nov. Est.	Jan. 1 to Dec. 2, 1989	Jan. 1 to Dec. 3, 1988
Premier	0	1,290	0	2,050	30,848	56,524
CHRYSLER MOTORS	0	1,290	0	2,050	30,848	56,524
Tempo	3,246	3,391	2,624	11,657	122,003	160,310
Topaz	1,391	1,729	1,119	6,493	54,491	64,552
Crown Victoria	1,971	2,985	2,489	10,750	110,283	121,037
Grand Marquis	2,844	2,879	2,847	12,031	120,029	122,779
FORD MOTOR CO.	9,452	10,984	9,079	40,931	406,806	468,678
Celebrity	1,139	351	1,142	4,921	25,042	19,500
Cutlass Ciera	2,362	4,032	2,261	9,714	113,453	208,346
Lumina	7,600	0	4,231	28,420	172,918	0
Pontiac 6000	0	0	0	0	0	29,690
Regal	1,200	0	0	5,213	71,321	139,613
GENERAL MOTORS	12,301	4,383	7,634	48,267	382,734	397,149
HONDA	2,100	1,510	2,174	9,553	80,239	45,235
HYUNDAI*	300	0	300	1,320	13,580	0
TOYOTA	750	0	852	3,188	17,031	0
VOLVO	180	180	180	756	7,558	6,021
Total Cars, Canada	25,083	18,347	20,219	106,064	938,796	973,607

U.S. TRUCK	Week Ended Dec. 2, 1989	Week Ended Dec. 3, 1988	Week Ended Nov. 25, 1989	Nov. Est.	Jan. 1 to Dec. 2, 1989	Jan. 1 to Dec. 3, 1988
Caravan	2,300	2,689	1,300	9,494	100,037	86,154
Dakota	2,100	2,861	1,358	8,916	87,724	101,360
Caravan C/V	100	188	83	408	6,130	11,335
Ram pickups	1,700	2,861	1,124	7,309	85,382	79,865
Total Dodge	6,200	8,599	3,865	26,126	279,273	278,714
Cherokee	0	4,582	2,554	13,496	194,255	174,209
Comanche	0	858	221	1,157	24,380	41,139
Grand Wagoneer	0	350	195	520	8,972	13,159
Wagoneer	0	232	110	510	7,260	10,104
Total Jeep	0	6,022	3,080	15,682	234,867	238,611
Voyager	2,300	2,307	1,194	8,881	93,621	80,203
Town & Country	25	0	15	124	3,143	0
Total C-P Div.	2,325	2,307	1,209	9,005	96,764	80,203
CHRYSLER MOTORS	8,525	16,928	8,154	50,813	610,904	593,982
Aerostar	4,380	4,900	2,820	16,755	205,925	192,998
Bronco	1,415	2,031	684	4,932	66,141	53,876
Bronco II	2,826	3,250	1,703	11,100	110,998	113,545
Econoline	4,074	5,627	2,396	12,009	199,470	226,516
Mediums/Heavies	1,296	1,229	727	3,842	53,186	60,622
Light trucks	11,528	12,788	5,290	40,069	484,735	461,406
Ranger	6,398	8,126	3,486	24,116	290,068	302,877
Total Ford Div.	31,917	37,951	17,106	112,823	1,408,523	1,411,840
FORD MOTOR CO.	31,917	37,951	17,106	112,823	1,408,523	1,411,840
Astro	2,833	3,520	1,792	11,776	149,850	163,865
Blazer	468	523	277	1,368	24,216	24,538
Lumina APV*	1,197	0	718	4,781	15,612	0
Mediums/Heavies	309	356	237	1,434	7,564	18,732
P-Model	0	922	463	2,018	27,214	37,648
Pickups	9,699	9,822	4,650	31,145	373,242	343,637
S-10	5,145	6,609	3,010	16,904	222,527	284,450
S-10 Blazer	2,978	4,418	1,610	10,745	161,003	160,018
Sportsvan/Van	1,770	0	1,151	7,014	88,642	86,204
Suburban	1,017	1,191	844	2,644	65,569	65,663
Total Chevrolet	25,416	27,361	14,752	89,828	1,125,323	1,184,755
Jimmy	234	162	142	745	7,832	7,173
Mediums/Heavies	541	519	130	1,844	12,611	33,077
P-Model	0	98	70	261	3,662	4,824
Pickups	2,832	3,065	1,325	10,305	113,977	105,877
S-15	1,640	1,791	1,078	5,821	55,816	65,276
S-15 Jimmy	1,342	982	974	4,332	47,650	45,182
Safari	1,227	1,024	587	4,785	41,939	42,781
Suburban	1,091	859	411	3,689	30,505	29,108
Vandura/Rally Vans	688	0	285	2,814	28,024	30,617
Total GMC	9,595	8,500	5,002	34,595	342,016	363,915
Olds Silhouette*	310	0	186	1,236	3,123	0
Pontiac Trans Sport*	540	0	324	2,153	5,841	0
GENERAL MOTORS	35,861	35,861	20,264	127,812	1,471,230	1,548,670
NAVISTAR	1,500	1,871	894	5,103	72,588	80,312
NISSAN	2,988	2,644	1,752	12,078	114,155	87,697
SUBARU-ISUZU*	540	0	330	2,171	4,695	0
AM GENERAL*	450	450	450	1,980	21,240	21,330
MISCELLANEOUS*	3,000	2,300	3,000	13,200	135,600	109,020
Total Trucks, U.S.	84,781	98,005	51,950	325,980	3,838,935	3,852,851

CANADIAN TRUCK	Week Ended Dec. 2, 1989	Week Ended Dec. 3, 1988	Week Ended Nov. 25, 1989	Nov. Est.	Jan. 1 to Dec. 2, 1989	Jan. 1 to Dec. 3, 1988
Caravan	3,356	3,425	3,540	14,223	137,510	133,450
Caravan C/V	121	208	105	438	9,233	11,278
Ram Wagon	504	635	492	2,856	24,620	25,064
Ram Van	1,626	1,799	1,638	4,386	65,772	68,433
Total Dodge	5,607	6,067	5,775	21,903	237,135	238,225
Voyager	2,539	2,622	2,581	10,544	116,727	118,824
Total Plymouth	2,539	2,622	2,581	10,544	116,727	118,824
Wrangler	0	1,318	1,530	2,990	66,503	48,769
Total Jeep	0	1,318	1,530	2,990	66,503	48,769
CHRYSLER MOTORS	8,146	10,007	9,886	35,437	420,365	405,818
FORD MTR (lt. trks)	3,546	3,563	2,625	13,683	151,277	152,473
Light trucks	3,491	3,900	3,831	15,734	152,297	146,661
Vans	1,599	1,562	1,509	6,954	57,542	57,051
Total Chevrolet	5,090	5,462	5,340	22,688	209,839	203,712
Light trucks	1,755	1,167	977	5,904	66,774	71,554
Vans	351	578	311	1,651	24,676	27,941
Total GMC	2,106	1,745	1,288	7,555	91,450	99,495
GENERAL MOTORS	7,196	7,207	6,628	30,243	301,289	303,207
NAVISTAR	202	0	199	766	10,159	10,474
Total Trks., Canada	19,090	20,777	19,338	80,129	883,090	871,972
U.S., Canada Trks.	103,871	118,782	71,288	406,109	4,722,025	4,724,823

*—Estimate
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.

Automotive News

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Chevy plea fails to stir car orders

By Charles M. Thomas and Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTERS

Orders from Chevrolet dealers dipped so low in November that the automaker warned them in a special bulletin to buy more cars or see plants idled in January.

But dealers apparently didn't listen. General Motors last week announced the temporary shutdown of plants in both the United States and Canada due to dismal car sales.

November sales tumble, page 2

Chevrolet's urgent message to its dealers provides an inside look at the squeeze on GM's largest division.

"It is critical that all dealers immediately analyze their product needs and submit orders immediately," the bulletin said.

It went on to say that "adequate order banks are necessary to maintain uninterrupted production."

Dealers said the bulletin is unprecedented because it discloses scheduled January production figures compared with the dealer order bank as of Nov. 22.

Total scheduled production for seven Chevrolet car lines was 90,843 in January, according to the bulletin. Dealer orders stood at a paltry 24,130 on that date.

By contrast, orders for trucks exceeded scheduled January production. According to the bulletin, 81,384 Chevrolet trucks are scheduled for January assembly, though the dealer order bank totaled 105,952 trucks on Nov. 22.

But dealers say they can't order more cars.

"They have been sending out similar bulletins over the past few months," said Bob Kerpec, general manager and vice president of "Z" Frank Chevrolet in Chicago.

"Most dealers are bulked out," he said. "We appreciate what Chevrolet is trying to accomplish, but we can't be warehouses."

Kerpec said he has not received similar bulletins from the dealership's other GM line, Oldsmobile.

Edward Butera, general manager of New Jersey-based Warnock Chevrolet, said the bulletin was followed up by a phone call from Chevrolet's area market representative who implied that plants would be idled unless orders improved.

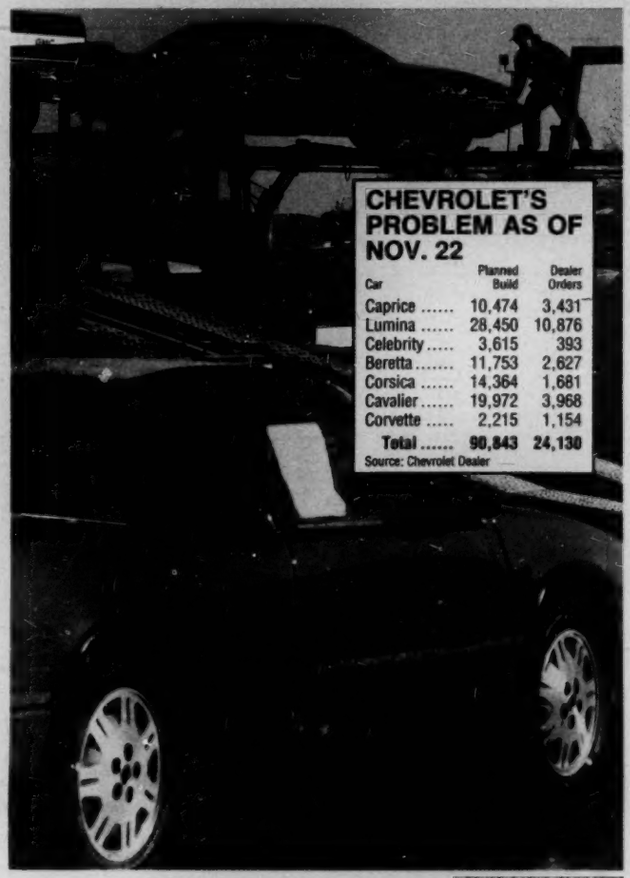
"We analyze inventory on a monthly basis, comparing it to sales," explained Butera. "If sales aren't there, then we don't order."

Butera, who didn't place an order, said the manufacturer should reduce production or launch more aggressive rebates.

Although the auto industry is nowhere near the dire state it was in earlier in the decade, the view at the end of the decade is grim.

Industry car sales so far this year

see ORDERS, page 42



AUTOMOTIVE NEWS JOE WILKINS

Workers in Ypsilanti, Mich., prepare Luminas for delivery to Chevrolet dealers.

CHEVROLET'S PROBLEM AS OF NOV. 22

Car	Planned Build	Dealer Orders
Caprice	10,474	3,431
Lumina	28,450	10,876
Celebrity	3,615	393
Beretta	11,753	2,627
Corsica	14,364	1,681
Cavalier	19,972	3,968
Corvette	2,215	1,154
Total	**90,843**	**24,130**

Source: Chevrolet Dealer

Chevrolet, Pontiac realign engineers

Moves cut '84 reorganization

By Mary Connelly, Jack Keebler, Arthur Flax and Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — In another retreat from its massive 1984 reorganization, General Motors has taken two divisions' engineering operations from the Chevrolet-Pontiac-Canada group and returned them to the divisional general managers.

Pontiac engineering came under John G. Middlebrook in November and Chevrolet is poised to place its engineering staff under the command of Chevrolet General Manager Jim Perkins next month.

In addition, Chevrolet will create market segment teams, similar to Pontiac's "work groups." Each team is responsible for a single vehicle line.

Pontiac's work groups are credited with helping to maintain a strong product image for the division.

"The hoped-for effect is that a chief engineer will no longer serve two masters," said a Pontiac spokesman. Pontiac and Chevrolet chief engineers had reported to the Chevrolet-Pontiac-Oldsmobile group.

"The whole organization brings a product to market with no surprises for a sales, finance, marketing or public relations department," the spokesman said. "Five years ago Pontiac defined itself with these groups. The result was a sharply focused product with the imprint of the entire organization on it."

Under the old system, engineers from the two divisions were limited to styling cues, powerplant tweaks and interior character of cars essentially developed by C-P-C and the Buick-Oldsmobile-Cadillac groups. Now, Chevrolet and Pontiac engineers will be involved earlier in vehicle structure and powerplant design.

Hansen

Bierly

The moves are a reversal of changes made by General Motors in its 1984 corporate reorganization.

"The engineering, planning and marketing groups have been com-

see CHEVY, page 44

GM, Ford may develop upscale channels in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — General Motors and Ford are considering separate upmarket distribution channels in Europe as an antidote to slow-selling high-line entries here.

"We're looking at various approaches on how to deal with that," said General Motors Europe President Robert Eaton. "It is very obvious to us as it is to the overall market that it is quite difficult (for a volume maker) to market a vehicle at that level."

Ford of Europe Chairman Lindsay Halstead said, "We have looked at second channels. We talked to Alfa Romeo. We talked to Saab. There is still another channel requirement, in my view, that is not totally fulfilled."

Halstead and Eaton were among seven European and Japanese chief executives interviewed for this week's special Overseas Focus section on pages 26-32.

Ford and Opel/Vauxhall-badged

see GM-FORD, page 42

OVERSEAS FOCUS

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Top bosses speak

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NHTSA pushes for truck passive restraints

By Diana T. Kuryiko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA has sent Transportation Secretary Samuel K. Skinner a proposed rule that would mandate passive restraints on light trucks.

The proposal was revealed in a General Accounting Office report scheduled for release yesterday. In a position that is likely to be disputed by the auto industry, the investigative arm of Congress said technical and supplier problems are no justification for delaying passive restraints rules.

The standards are needed because trucks are increasingly used as passenger vehicles and need the same safety standards as cars, the report said. Automakers have equipped their 1990 cars with either air bags or automatic seat belts to comply with rules that took effect this model year.

The GAO also said the rulemaking could take several years to complete unless there is a substantial commitment from the transportation secretary and NHTSA to support it. It noted that passive restraints became mandatory on cars after a 15-year battle.

NHTSA delivered the rule to Skinner on Oct. 12. If the secretary approves, the rule will be published for manufacturer comment. NHTSA will then decide whether to move ahead, modify or abandon the rule. A final rule must go to the Office of Management and Budget for consideration and, if approved there, could become a standard upon publication as early as late 1990.

The GAO also said NHTSA is proceeding on three other light-truck standards. They involve strengthened side-door and roof protection and a high-mounted rear stop lamp.

Even without the federal rules, Ford Motor Co. plans to equip some vans with driver-side air bags by Sept. 1, 1991, the report said. Ford plans to have air bags or automatic belts on a "substantial portion" of its light trucks by the mid-1990s, said the GAO, which surveyed manufacturers late this summer.

Four other truck manufacturers

see TRUCKS, page 44

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East-West deals brewing:
Chrysler is talking with the Soviet Union about a cooperative venture. VW and GM are courting East Bloc nations, too. Details on page 6.

Who owns Maserati?

AUTOMOTIVE NEWS / CHARLOTTE WINTER

Fiat Auto plays financial savior to Maserati

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Fiat Auto has come to the rescue of financially troubled Officine Alfieri Maserati S.p.A. in a deal expected to be consummated early next year.

Fiat will acquire 49 percent of Societa Maserati S.p.A., a newly formed company that will own the venerated Maserati name. The remaining 51 percent will be owned by Officine Alfieri Maserati.

The multifaceted deal is expected to bring Maserati out of debt, said Howard Chase, corporate secretary for DeTomaso Industries, which owns 84 percent of Officine Alfieri Maserati.

DeTomaso Industries, Red Bank, N.J., earlier reported a net loss of $8.14 million for the first nine months of this year. The company had a net loss of $29.4 million last year. DeTomaso Industries is a public company controlled by the DeTomaso family.

Chrysler owns 16 percent of Officine Alfieri Maserati through a subsidiary, Chrysler Italian Imports. Chrysler also holds about $38 million worth of Maserati corporate bonds. Maserati makes the Chrysler TC convertible.

Fiat did not purchase shares in DeTomaso Industries, Chase said.

Societa Maserati will manufacture and distribute Maserati cars through Maserati's existing dealer network. DeTomaso Industries owns Baltimore-based Maserati Automobiles, the U.S. importer and distributor. Through November, Maserati sold 260 cars in the United States compared with 716 in the same period last year.

Societa Maserati will also develop and produce new limited-production vehicles for Alfa Romeo, a Fiat subsidiary.

Alfa Romeo cars are sold in the United States through Alfa Romeo Distributors of North America, a 50/50 joint venture between Fiat and Chrysler. It is based in Orlando, Fla.

Chase said last week it is too early to say whether Societa Maserati's new Alfa Romeo products will be sold in the United States.

In addition to the Maserati and Alfa Romeo aspects of the deal, Fiat bought 51 percent of the stock of Innocenti Milano S.p.A., a Maserati subsidiary that makes Innocenti minicars.

At the same time, Fiat hired Societa Maserati to build 30,000 Fiat Pandas a year for three years beginning in 1990.

Lexus strives for perfect recall of flawed car

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

TORRANCE, Calif. — The Nov. 27 decision to recall 8,000 Lexus LS400 sedans triggered a frenzied week of activity at Lexus headquarters as employees scrambled to make the best of a painful and embarrassing situation.

A large ground-floor conference room and smaller second-floor room were in almost constant use while an impromptu crisis team hurried to complete plans to train and supply dealers to fix the problems before the recall had to be reported to NHTSA on Friday, Dec. 1.

Less than three months after starting to sell a $35,000 flagship model it advertised as a product of "1,400 perfectionists," Lexus was forced to recall nearly all 8,000 that had been sold. Two safety-related defects and loose battery cables were the culprits.

"Obviously, we would prefer not to have to do something like this," said J. Davis Illingworth, vice president and general manager of the fledgling luxury division of Toyota Motor Sales U.S.A. "It's been painful, but we've learned, grown, and we'll be better for it."

Illingworth said an internal investigation of the two safety defects stemmed from a single customer complaint in each case, reported in late September. No accidents or injuries were reported.

One reason for the recall is a deformed housing on high-mounted stop lamps.

Competing marketers of luxury cars were amused by the early Lexus recall. Lexus officials hope to create a silver lining for the cloud by giving extraordinary service, even sending mechanics to buyers' homes to make the fixes. (See related story, page 43.)

In late September, a Texas dealership reported that a customer's LS400 had a deformed housing for the high-mounted stop lamp, which misdirected the light. An internal investigation concluded that heat from the brake light and the atmosphere distorted the housing.

The solution: Use a plastic housing more resistant to heat.

The most serious flaw was a faulty cruise control reported by a California owner in late September through Lexus's 24-hour roadside assistance program.

The cruise control failed to disengage when the brake was applied. Worse, even shutting off the main switch still failed to disengage the cruise control.

Lexus's investigation determined that a manufacturing flaw in the cruise control actuator — made by Nippondenso, a leading Japanese automotive supplier partially owned by Toyota — caused the problem and posed the potential to affect all LS400s made so far.

The third problem was simpler.

Four LS400 owners called for roadside assistance because of dead batteries. Lexus discovered that in assembly, the battery cable was not always fully snapped on at the alternator.

The U.S. crisis team's effort was coordinated by Richard Chitty, corporate manager of parts, service and customer satisfaction.

Quickly, the group decided t combine all three problems int one recall.

One challenge was a self-im posed time limit.

"By law, we had five days (afte deciding on the recall) to notif the National Highway Traffi Safety Administration," said Il lingworth.

Toyota Motor Co. officials i Tokyo called Lexus officials i California on Monday, Nov. 2 confirming the problems and the causes. So NHTSA would have t be informed of the recall by Friday Dec. 1.

But before news of the reca broke, Illingworth said, Lexus ex ecutives wanted to have new par made, dealers trained and — possible — customers notified.

The crisis team met in groups three or four in a small office nex to Illingworth's normally reserve for visiting Japanese executives, c in a group of up to 10 in the large ground floor conference room.

They arranged for suppliers t work around the clock producin replacement parts and to ai freight them in small batches to th main Lexus parts depot in Tor rance. They scheduled those part to be repackaged immediately int smaller lots and shipped overnigh by Emery Worldwide to dealers.

They planned the training of ser vice managers and technicians fo

see LEXUS, page 4

November sales deal another fourth-quarter blow

By Philly Murtha
AUTOMOTIVE NEWS REPORTER

The U.S. auto industry continued to pay for late-summer incentive excesses last month as November car and truck sales continued the fourth-quarter plunge.

Total car and truck sales in November were off 11.84 percent as an uncertain economic outlook, high interest rates and the payback of 250,000 extra units sold in the third quarter took their toll.

Each of the Big 3 gave up car share to the Japanese automakers, but GM's contribution was most dramatic. A year ago, GM had more than 35 percent of the market. In October, GM's total car share hit a recent low of 31.94 percent, and in November it slipped to 31.84 percent.

The last full year in which GM's share was so low was in 1929, when the company had 32.76 percent of all car registrations.

The combined domestic and import car total of 682,801 lagged the disappointing October car sales total by nearly 65,000 units, and it represented a decline of 13.65 percent from last November.

U.S.-built car sales slid 14.21 percent, while imported car deliveries fell 12.37 percent below last year.

Sales have not recovered from the strong third quarter performance that was spurred by industry-wide retail incentives, but the fourth quarter slide may appear grimmer than it is. Some auto analysts estimate that 250,000 to 300,000 vehicles were sold ahead in the third quarter. Without the hefty summer incentives averaging about $1,000 per vehicle, these cars would have been fourth quarter deliveries. For the calendar year, total car sales are only 5.12 percent behind 1988.

The fourth quarter slide is not just payback, manufacturers and analysts said. "Some prospective buyers are deferring purchases due to uncertainty about the economic outlook," said Robert L. Rewey, vice president, sales operations, Ford North American Automotive Operations, Ford Motor Co.

That uncertainty is fueled by high interest rates, he said, adding, "The best news the au market could get would be a lowering of inte est rates."

Jay I. Stark, executive director of the G marketing and product planning staff, sa things could be worse. "We've been throu tougher times," Stark said.

"We've been through the oil embargo in 197 we've been through OPEC 2 and the situatio with the Shah of Iran in 1979. We're certain not looking at anything like those times."

He said current sales performance was no i dicator of what GM expects to do in 1990.

"We still see an opportunity for expansion our share. . . . Trucks were pretty good in N vember.

" We think our car share will be aided later the (1990) year with the introduction of son new products."

GM Chairman Roger B. Smith earlier sa 1990 will be the "Year of the General," and h expects GM to post 37 percent passenger c penetration.

see SALES, page

Detroit automakers find friend in Skinner

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Detroit may have made a new friend in Washington — Transportation Secretary Samuel K. Skinner.

After two full days of touring auto plants and hearing Detroit's concerns, Skinner said he was convinced Detroit should not be put at a competitive disadvantage by its own government. The transportation secretary made visits to the motor capital and met with the chairmen of the Big 3 in October and November.

Skinner

Skinner's pledge is important because the secretary will play a vital role as the Bush administration considers whether it will push for a change in corporate average fuel economy rules.

The Big 3 have bitterly protested that CAFE legislation puts them at a disadvantage because under current rules they must meet two CAFEs, a foreign and domestic. That means fuel-efficient small imported cars cannot be used to offset the less efficient big cars that drag down a manufacturer's domestic CAFE. The current standard is 27.5 mpg for both.

The transportation and energy departments have begun to study CAFE, and it is too early to predict what recommendations will be made to the Bush administration, Skinner told reporters last week.

But Skinner said he has promised to work with the Big 3 "within the bounds of the law" and at least give manufacturers early warning as to what to expect from Washington. The more automakers know about pending legislation, the better they can plan a competitive lineup, Skinner said.

"For a new model, it's a $2 billion to $3 billion expenditure and a five- to six-year cycle. They need to know in the early years, what they're going to be required to do in the out years," Skinner said.

Foreign manufacturers can react more quickly than the domestics with new engine and safety technology and meet higher CAFE standards or safety mandates, Skinner said.

"If they have a planning cycle in Japan of five years and we have one of seven years, that is a major difference," Skinner said.

Corrections

- The Dec. 4 issue incorrectly reported that the National Automobile Dealers Association would make the *20/20* news show segment called "Secrets of the Car Salesman" available to dealers who request it. NADA is making the tape available only to certain key manufacturing people.
- A Dec. 4 story should have said Yugo America's 1990 models will be equipped with non-motorized seat belts, not motorized belts.
- The warranty coverage listed for Isuzu and Mitsubishi powertrains in the Nov. 27 issue's warranty table was incorrect. The warranties are five years/unlimited mileage. Also, Cadillac's extra drivetrain/major component warranty is four years/50,000 miles.